

For a better future



West Coast Paper Mills Limited
Your partner in progress...

Annual Report 2022-23



PAPER AND PAPER BOARD DIVISION AT DANDELI



TELECOM CABLE DIVISION AT MYSURU

WESCO

Finest Papers

WESCO
IMPRINT

WESCO
COPY GOLD

WESCO
Impression

WESCO
AZURELAID

WESCO
Super Shine

WESCO
Sfraw Base

WESCO
ULTRA SHINE

WESCO
AQUABASE

WESCO
Xelent

WESCO
COPY PLUS

WESCO
Bond

WESCO
B2B
Copier

WESCO
Documate

WESCO
MG Posters

WESCO
MICR

WESCO
Prime SUPER GREEN

WESCO
UHB
BOARD

WESCO
STRAW FOLD

WESCO
PRIME

WESCO
COATED
PRIME

WESCO
NOVA PRINT

WESCO
Marvel

WESCO
STIFFENER

WESCO
ARSR

WESCO
ECOliner

WESCO
Walkup

WESCO
FIRMA

WESCO
DURA PRINT

WESCO
Classic

WESCO
LEDGER

WESCO
INDIGO
CLASSIC

WESCO
PARCHMENT

WESCO
SERVING PAPER
and yet PRESERVING NATURE



WESCO

Range of Office Stationaries



WESCO

Premium Printing Papers



Notebook



Books



Stationaries

- WESCO Classic (57-140 GSM)
- WESCO Ultrashine (58-140 GSM)
- WESCO Supershine (54-140 GSM)
- WESCO Marvel (57-140 GSM)
- WESCO Natural SS (54-90 GSM)

- WESCO Vibrant (54-90 GSM)
- WESCO Indigo Classic (54-90 GSM)
- WESCO Impression (54-90 GSM)
- WESCO Imprint (54-90 GSM)

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This Annual Report is available online at
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| | |
|--|-------------------------|
| BSE Market Capitalisation as at 31st March, 2023 | ₹ 3,49,993 Lakhs |
| NSE Market Capitalisation as at 31st March, 2023 | ₹ 3,50,455 Lakhs |
| Final Dividend declared | ₹ 10/- per share (500%) |
| BSE Code | 500444 |
| NSE Symbol | WSTCSTPAPR |
| AGM Date | 17th August, 2023 |
| AGM Mode | Video Conferencing |

FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates,' 'estimate,' 'aspects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe, we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialized, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Reader should bear this in their mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of news information, future events or otherwise.





Corporate Information

BOARD OF DIRECTORS

Shri S. K. Bangur, Chairman & Managing Director
Shri Saurabh Bangur, Vice Chairman
Shri Virendraa Bangur, Joint Managing Director
Smt. Shashi Bangur
Shri Sudarshan Somani
Smt. Arpita Vinay (up to 25th June, 2023)
Shri Shiv Ratan Goenka
Shri Ashok Kumar Garg
Shri Vinod Balmukand Agarwala
Smt. Sudha Bhushan (w.e.f. 19th May, 2023)
Shri Rajendra Jain, Executive Director & CFO

MANAGEMENT TEAM

Paper and Duplex Board Division

Shri Rajendra Jain, Executive Director & CFO
Shri P.C.Maloo, Senior Vice President (Marketing)
Shri Ashok Kumar Sharma, Senior Vice President (F&A)
Shri Anuj Kumar Tayal, Senior Vice President (Technical)
Shri Velu V., Asstt. Vice President(IR)

Telecom Cable Division

Shri Pramod Kumar Srivastava, Chief Executive Officer
Shri Sunil Kumar Agarwal, Chief Financial Officer
Shri Ashish Goyal, Vice President (Sales & Marketing)
Shri Om Prakash Yadav, Vice-President (Operation)

COMPANY SECRETARY

Shri Brajmohan Prasad

BANKERS

Central Bank of India
State Bank of India
ICICI Bank Ltd.
IDBI Bank Ltd.
Standard Chartered Bank
Axis Bank Ltd.

STATUTORY AUDITORS

Singhi & Co, Kolkata

COST AUDITOR

Shri Umesh Kini, Sirsi

SECRETARIAL AUDITOR

Shri Naman G. Joshi, Bangalore

LEGAL ADVISORS

Khaitan & Co., Mumbai

REGISTERED OFFICE

Bangur Nagar, Dandeli – 581 325
District. Uttara Kannada, Karnataka
Phone: (08284) 231391-395
E-mail: co.sec@westcoastpaper.com

CORPORATE OFFICE & EAST ZONE

31, Jawaharlal Nehru Road
(Park Street Crossing)
Kolkata – 700 016
Phone:(033) 71500500 / 22656273-74
E-mail: sales.ho@westcoastpaper.com

ZONAL OFFICES

North Zone

6 C D E, Hansalaya Building
15- Barakhamba Road, New Delhi - 110 001
Phone:(011) 40110101, 40110102
E-mail: wcpm.north@westcoastpaper.com

West Zone

Free Press House, Office No. 23 to 24, 2nd Floor,
Free Press Journal Marg, 215, Nariman Point,
Mumbai - 400 021
Phone: (022) 35134521-24
E-mail: wcpm.west@westcoastpaper.com

South Zone-1

23/1 Kanakasri Nagar
Off Cathedral Road, Chennai-600 086
Phone: (044) 28111654, 28111299
E-mail: wcpm.south@westcoastpaper.com

South Zone -2

“Chandrakiran Building”, 4th Floor,
10/A, Kasturba Road,
Bangalore-560 001
Phone: (080)22231828-1829
E-mail: wcpm.south2@westcoastpaper.com

South Zone -3

Krishe Sapphire Building, 1st Floor,
1-89/3/B/40 to 42/KS/107/A,
HITECH City Main Road, Madhapur,
Hyderabad - 500 081, Telangana
Phone: (040) 40276854,
E-mail: wcpm.south3@westcoastpaper.com

TELECOM CABLE DIVISION

West Coast Optilinks (Sudarshan Telecom)
Plot No. 386/387, KIADB, Electronic City
Hebbal Industrial Area, Mysuru – 570 016
Phone: (0821) 2404059, 4281980
E-mail: info@westcoastoptilinks.com

Ten Year Highlights

| | | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| PRODUCTION | | | | | | | | | | | |
| PAPER & PAPER BOARD | Tonnes | 314919 | 296785 | 229017 | 313876 | 304957 | 290844 | 313311 | 306960 | 300514 | 310002 |
| OPTICAL FIBRE CABLE | Km | 72246 | 63630 | 54396 | 37392 | 40097 | 28405 | 29802 | 42989 | 30438 | 20686 |
| SALES | | | | | | | | | | | |
| PAPER & PAPER BOARD | Tonnes | 310349 | 303715 | 234667 | 304762 | 301931 | 291512 | 317951 | 315146 | 302978 | 298682 |
| OPTICAL FIBRE CABLE | Km | 81388 | 63470 | 54982 | 37510 | 37930 | 28665 | 30936 | 40545 | 30368 | 21053 |
| OPERATING RESULTS | | | | | | | | | | | |
| TURNOVER | ₹/Lakhs | 279086 | 196880 | 136182 | 197251 | 196852 | 172222 | 187028 | 179953 | 174715 | 165483 |
| EBITDA | ₹/Lakhs | 94806 | 43556 | 20105 | 52879 | 52965 | 38115 | 34022 | 20725 | 19678 | 21437 |
| GROSS PROFIT(PBDT) | ₹/Lakhs | 91872 | 38277 | 13587 | 45675 | 50068 | 33878 | 28272 | 18927 | 17853 | 14114 |
| DEPRECIATION | ₹/Lakhs | 11936 | 13833 | 15349 | 16637 | 17526 | 11622 | 11077 | 11081 | 12220 | 12719 |
| EXCEPTIONAL ITEMS | ₹/Lakhs | - | - | - | - | - | - | - | 5324 | 5160 | - |
| TAXATION | ₹/Lakhs | 22693 | 4495 | 199 | 4750 | 6800 | 4551 | 3654 | 598 | - | 166 |
| MAT CREDIT ENTITLEMENT | ₹/Lakhs | (19) | - | 319 | (1367) | (2129) | (4551) | (3654) | (598) | - | (154) |
| DEFERRED TAX | ₹/Lakhs | (1450) | (1861) | (2485) | (1985) | (1735) | (67) | 4938 | 1637 | 362 | 720 |
| NET PROFIT/(LOSS)/OCI | ₹/Lakhs | 58261 | 21570 | 291 | 27169 | 29631 | 22267 | 12258 | 885 | 111 | 663 |
| FINANCIAL POSITION | | | | | | | | | | | |
| GROSS BLOCK | ₹/Lakhs | 263563 | 260455 | 256097 | 254597 | 244131 | 229298 | 215871 | 210374 | 207934 | 205632 |
| DEPRECIATION | ₹/Lakhs | 194802 | 184301 | 170807 | 158489 | 141919 | 126044 | 115432 | 104040 | 93035 | 80866 |
| NET BLOCK | ₹/Lakhs | 68761 | 76154 | 85290 | 96108 | 102212 | 103254 | 100439 | 106334 | 114899 | 124766 |
| PAID UP CAPITAL | ₹/Lakhs | 1321 | 1321 | 1321 | 1321 | 1321 | 1321 | 1321 | 1321 | 1321 | 1321 |
| RESERVES & SURPLUS | ₹/Lakhs | 203730 | 149432 | 128523 | 128232 | 109031 | 82580 | 62594 | 58547 | 58456 | 58345 |
| NET WORTH | ₹/Lakhs | 205051 | 150753 | 129844 | 129553 | 110352 | 83901 | 63915 | 59868 | 59777 | 59666 |
| BORROWINGS | ₹/Lakhs | 16499 | 40844 | 65030 | 76691 | 40021 | 30416 | 49986 | 74393 | 91042 | 106608 |
| CAPITAL EMPLOYED | ₹/Lakhs | 221550 | 191597 | 194874 | 206244 | 150373 | 114317 | 113901 | 134261 | 150819 | 166274 |
| OTHER KEY PARAMETERS | | | | | | | | | | | |
| EARNINGS PER SHARE (FV ₹ 2) | ₹ | 88.89 | 33.02 | 0.31 | 41.85 | 44.82 | 33.80 | 19.46 | 1.34 | 0.17 | 1 |
| BOOK VALUE PER SHARE | ₹ | 310 | 228 | 197 | 196 | 167 | 127 | 97 | 91 | 91 | 90 |
| DIVIDEND | % | 500 | 300 | 50 | 250 | 250 | 200 | 125 | 50 | - | 50 |
| DIVIDEND | ₹/Lakhs | 6605 | 3963 | 660 | 3302 | 3302 | 2642 | 1651 | 660 | - | 660 |
| DEBT EQUITY RATIO | | 7:93 | 21:79 | 33:67 | 37:63 | 27:73 | 27:73 | 44:56 | 55:45 | 60:40 | 64:36 |

Directors' Report

Your Directors are pleased to present the 68th Annual Report of your Company, together with the audited financial statements for the year ended 31st March 2023.

FINANCIAL RESULTS:

Financial Results of the Company for the year under review along with the figures for previous year are as follows:

| Particulars | 31st March, 2023 | 31st March, 2022 |
|--|------------------|------------------|
| | (₹ in Crores) | |
| Profit Before Finance Cost, Depreciation and Tax (PBIDT) | 948.06 | 435.56 |
| Finance Cost | 29.34 | 52.79 |
| Profit Before Depreciation and Tax | 918.72 | 382.77 |
| Depreciation | 119.36 | 138.33 |
| Tax Expenses (Including Deferred Tax) | 212.24 | 26.35 |
| Profit After Tax (PAT) | 587.12 | 218.09 |
| Other Comprehensive Income (Net of Tax) | (4.51) | (2.39) |
| Total Comprehensive Income | 582.61 | 215.70 |

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹ 10/- per equity share (500%) for the financial year 2022-23, subject to shareholder's approval at the forthcoming Annual General Meeting.

PERFORMANCE:

The performance of the Company during the year under review has been better compared to previous year. The improved performance has been due to higher sales realization along with better product mix, improved operating parameters and reduction in finance cost. This is despite significant increase in major input and employee cost.

The Company shall continue to focus on improving its operating efficiencies and minimizing cost for better financial performance.

DIVISION WISE PERFORMANCE:

PAPER AND PAPERBOARD DIVISION, DANDELI

The production of Paper and Paperboard was 314919 MT (98% capacity utilization) during the year against 296785 MT in the last year (93% capacity utilization) i.e., higher by 18134 MT. The Sale of Paper and Paperboard was 310349 MT during the year against 303715 MT in the last year i.e., higher by 6634 MT. Turnover during the year was ₹ 2,605 Crores as against ₹ 1,858 Crores in the last year, i.e., higher by ₹ 747 Crores. The Operating EBITDA margin was 33.90 % during the year.

CABLE DIVISION, MYSURU

The Production of Optical Fibre Cable was 72246 Kms during the year against 63630 Kms in last year, thereby higher production by 8616 Kms. The Sale of Optical Fibre Cable was 81388 Kms during the year as against 63470 Kms in the last year i.e. higher by 17918 Kms. The Turnover was ₹ 186 Crores during the year as against ₹ 111 Crores in the last year i.e., higher by ₹ 75 Crores. The Operating EBITDA margin was 8.05 % during the year.

EXPORTS:

Export of Paper and Paperboard in foreign currency during the year was 2204 MT worth ₹ 18 Crores (FOB) as against 3606 MT worth ₹ 21 Crores (FOB) in the last year. Similarly, Export of Cable was at ₹ 10 Crores (FOB) same as last year.

FUTURE PLAN:

Company is continuously working by phase wise investment at Paper Division, Dandeli for improving paper quality, produce new speciality products and reduction of usage of steam, power, chemical, water and also minimize the

Directors' Report *(Contd.)*

breakdown of machines.

Additionally, the Company's Cable Division is in the process of setting up its own Optical Fiber Draw Towers factory in Rangareddy, Hyderabad and construction activities are underway. The Company is also constructing a new Optical Fiber cable manufacturing plant at the same site in Rangareddy, Hyderabad, which will be its second facility after Mysuru.

MEETINGS OF THE BOARD:

During the year under review, Five Board Meetings were held and details thereof are mentioned in the Report on Corporate Governance, forms a part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

POLICY ON APPOINTMENT OF DIRECTORS, KMP, SENIOR EXECUTIVES AND REMUNERATION :

The Company has formulated a policy for appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 for Directors, Key Managerial Personnel (KMP) and Senior Executives of the Company. The Policy is available at the Company's website and can be accessed at: <https://www.westcoastpaper.com/policies/>

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS:

Criteria for performance evaluation of Independent Directors as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith forms a part of this report.

MANAGERIAL REMUNERATION:

The requisite details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith forms a part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement, as required under Section 134(5) of the Companies Act, 2013, is annexed herewith forms a part of this report.

DIRECTORS AND KMP:

Retirement

Shri P. N. Kapadia (DIN: 00042090), Independent Director of the Company was retired from the services of the Company after completing of his second terms on 29.05.2022. Smt. Arpita Vinay (DIN: 06940663), Independent Director of the Company expressed her willingness not to continue for second terms and stepped down from the Board after completion of first term w.e.f. 26.06.2023.

Retirement by Rotation

Shri Saurabh Bangur (DIN: 00236894) will retire from the office by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Appointment

Smt. Sudha Bhushan (DIN: 01749008) has been appointed as Additional Independent Director of the Company at the meeting of the Board of Directors, held on 19th May, 2023 and Notice of ensuing Annual General Meeting includes the proposal for appointment as Independent Director.

Re-appointment

Shri Virendraa Bangur (DIN:00237043) has been re-appointed as Joint Managing Director of the Company w.e.f. 26.06.2023 by the Board of Directors in their meeting held on 19th May, 2023.

Directors' Report *(Contd.)*

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of meeting the criteria of independence provided under Section 149(6) of the Companies Act, 2013 and clause (b) of sub-regulation (1) of the Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the Director individually as well as the evaluation of the working of its Committees. The manner of evaluation has been explained in the Corporate Governance Report.

FAMILIARIZATION POLICY:

Pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has framed a policy to familiarize the Independent Directors about the Company. The Policy is available on the website of the Company and can be accessed at: <https://www.westcoastpaper.com/policies/>

RELATED PARTY DISCLOSURE AND TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business in the compliance of applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons. The Details of related party disclosure and transaction as required by the Accounting Standards read with Section 134(3)(h) have been made in the notes to the Financial Statements.

The Policy on related party transaction and its materiality as approved by the Board is uploaded on the Company's website and can be accessed at: <https://www.westcoastpaper.com/policies/>

ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 a copy of Annual Return is available at the Company's website and can be accessed at: <http://www.westcoastpaper.com/investors/>.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO:

The information required under Section 134(3)(m) of the Companies Act, 2013 is annexed herewith forms a part of this report.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has framed a Corporate Social Responsibility (CSR) Policy as required under Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, to oversee the CSR activities initiated by the Company and the policy may be accessed on the Company's website.

Annual Report on CSR activities undertaken by the Company during the financial year ended on 31st March, 2023 in the prescribed format is annexed herewith forms a part of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS :

A comprehensive Management's Discussion and Analysis Report, as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith forms a part of this report.

Directors' Report *(Contd.)*

CORPORATE GOVERNANCE:

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Corporate Governance Report is annexed herewith forms a part of this report.

A certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith forms a part of this report.

The Company is complying with Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance and reports to that effect are being regularly filed with the Stock Exchanges. The Company has obtained declaration from the Directors and Senior Management Personnel of the Company for compliance of Code of Conduct and the Certificate from CEO/CFO was placed before the Board of Directors at the meeting held on 10th February, 2023 & 19th May, 2023 respectively.

COMPLIANCE WITH SECRETARIAL STANDARD:

The Company has complied applicable Secretarial Standards issued by the ICSI under Section 118 of the Companies Act, 2013.

REPORTING OF FRAUDS:

Auditors of the Company have not reported any offence involving fraud is being or has been committed against the company by the officers or employees of the company, under Section 143(12) of the Companies Act, 2013.

SHARE CAPITAL:

The paid-up Equity Share Capital as on 31st March, 2023 was ₹ 1,320.98 Lakhs comprising of 6,60,48,908 Equity Shares of ₹ 2/- each. During the year under review, the Company has not issued any further shares to the members or general public.

PUBLIC DEPOSITS:

Your's Company has not invited or accepted any deposits during the financial year ended on 31st March, 2023 under Section 73 of the Companies Act, 2013 and rules made thereunder.

CONVERTIBLE/NON-CONVERTIBLE SECURITIES:

Your Company has not issued any Convertible/Non-Convertible securities during the year ended March 31, 2023.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments cover under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report for the financial year ended on 31st March, 2023 is annexed herewith forms a part of this report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Vigil Mechanism of the Company incorporates a policy under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 7 of the Companies (Meeting of the Board and its Power) Rules 2014, provide the mechanism for Employees and Directors of the Company to approach the Executive Director and the Chairman of the Audit Committee of the Board. Protected disclosures can be made by a Whistle Blower by means of e-mail or telephone or letter to the Executive Director or to the Chairman of the Audit Committee. The policy on Vigil Mechanism/Whistle Blower is available on the Company's website and can be accessed at: <https://www.westcoastpaper.com/policies/>

Directors' Report *(Contd.)*

RISKS MANAGEMENT:

Pursuant to provisions of Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) & 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Risk Management Committee and laid down a framework to inform the Board about the particulars of Risks Identification, Assessment and Minimization Procedures. In the opinion of the Board, there is no such risk, which may threaten the existence of the Company.

DISCLOSURE PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Details required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Companies (Accounts) Amendment Rules, 2018 covered in the report of Corporate Governance forms a part of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:

During the financial year ended on 31st March, 2023, there were no significant and material orders passed by the Regulators or Courts, which would impact the status of the Company and its future operations.

AUDITORS' REPORT:

The Notes on Accounts and the observations of the Auditors in their Report on the Accounts of the Company are self explanatory and in the opinion of the Directors, do not call for any clarifications.

AUDITORS:

a. Statutory Auditors and their Report

M/s Singhi & Co. Chartered Accountants, Kolkata re-appointed as Statutory Auditors at the 67th Annual General Meeting of the Company pursuant to the provision of rotation under Section 139 and 141 of the Companies Act, 2013 and Rule 7 of the Companies (Audit and Auditors) Rules, 2014, for a period of 5 consecutive years till the conclusion of 72nd Annual General Meeting, without any further ratification by the shareholders, pursuant to the amended provisions of Section 139 of the Companies Act, 2013 and Rules made there under, notified by Ministry of Corporate Affairs as on 07.05.2018. The observations of the Auditors in their report for the financial year 2022-23 on Accounts and the Financial Statements, read with the relevant notes are self-explanatory.

b. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Naman G. Joshi, Bangalore practicing Company Secretary as Secretarial Auditor to carry out Secretarial Audit of the records maintained by the Company for the financial year 2022-23. The Report given by him for the said financial year in the prescribed form No: MR 3 is annexed to this report.

c. Cost Auditor and Cost Audit Report

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 and revised order of the Central Government dated 31.12.2014, the Company has maintained cost accounts and records. The Cost Audit for the financial year ended on 31st March, 2022 was conducted by Shri Umesh Kini, Cost Accountant, Sirsi and as required, Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India. The Audit of the Cost Records for the financial year ended on 31st March, 2023 is being conducted by the said Cost Auditor and Report will be filed with the Ministry of Corporate Affairs, Government of India.

INTERNAL CONTROL SYSTEM:

There are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inputs, availing of services, fixed assets, for the sale of goods and providing of services. Full-fledged Internal Audit department carries out pre and post audit of all significant transactions throughout the year. Company has also appointed M/s S.S.Kothari Mehta & Co., Chartered Accountants, New Delhi (outsourced) as Internal Auditor.

Directors' Report *(Contd.)*

Based on the Annual Internal Audit programme as approved by Audit Committee of Board, regular internal audits are conducted. Findings are placed before Audit Committee, which review and discuss the actions taken with the Management.

INDUSTRIAL RELATIONS:

Industrial Relations remained peaceful and cordial throughout the year under review. Your company value the long association of employees including contractors and their workmen to sustain industrial harmony and create a positive work environment. The process of renewal of tripartite long-term wage revision settlement with Joint Negotiation Committee of the Unions from 01.01.2023 is going on. Your Directors acknowledge the support and co-operation from employees.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report forms a part of this report.

A Report on the performance and financial position of wholly owned Subsidiary Company (West Coast Opticable Limited) and listed Subsidiary Company (Andhra Paper Limited) for the financial year ended 31.03.2023 included in the Consolidated Financial Statements is presented in the separate section AOC-1, forms a part of this report.

Pursuant to the provisions under Section 136 of the Companies Act, 2013 the financial statements including consolidated financial statements along with relevant documents and separate Audited Accounts of the subsidiary companies are available at the Company's website.

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation and thanks to the Central and State Governments, Banks, Financial Institutions, Customers, Suppliers and Shareholders for their continued support and co-operation.

Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees of the Company, who have contributed significantly towards Company's performance and growth.

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

DIN: 00053237

Place: Dandeli

Date: 19th May, 2023

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Annexure to Directors' Report

ANNEXURE – II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES(CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

- Brief outline on CSR Policy of the Company: Available on the Website: <https://www.westcoastpaper.com/policies/>
- Composition of CSR Committee:

| S. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|-----------------------|------------------------------------|--|--|
| 1 | Shri Virendraa Bangur | Chairman/WTD | 1 | 1 |
| 2 | Shri Saurabh Bangur | Member/NED | | 0 |
| 3 | Smt. Arpita Vinay | Member/ INED | | 1 |
| 4 | Shri Rajendra Jain | Member/ED & CFO | | 1 |

- Provide the web-link (s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: Website: <https://www.westcoastpaper.com/compliance/#com1b>, <https://www.westcoastpaper.com/csr/>
- Provide the executive summary along with web-link (s) of Impact assessment of CSR Projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**
- Average net profit of the company as per sub-section (5) of section 135 : ₹ 17,596.43 Lakhs.
 - Two percent of average net profit of the company as per sub-section (5) of section 135 : ₹ 351.93 Lakhs.
 - Surplus arising out of the CSR Projects or programmes or activities of the previous financial year : ₹ NIL.
 - Amount required to be set-off for the financial year : ₹ 2.45 Lakhs.
 - Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 349.48 Lakhs
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 334.49 Lakhs
 - Amount spent in Administrative Overheads : ₹ 16.72 Lakhs
 - Amount spent on Impact Assessment, if applicable : NIL
 - Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 351.21 Lakhs
 - CSR amount spent or unspent for the Financial Year : ₹ 351.21 Lakhs

| Total Amount spent for the Financial Year (₹ in Lakhs) | Amount unspent (₹ in Lakhs) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of transfer |
| 351.21 | - | - | - | - | - |

- Excess amount for set-off, if any:

| S. No. | Particular | Amount (₹ in Lakhs) |
|--------|--|---------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 349.48 |
| (ii) | Total amount spent for the Financial Year | 351.21 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 1.73 |
| (iv) | Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Year, if any | - |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 1.73 |

Annexure to Directors' Report (Contd.)

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

| (1) S. No. | (2) Preceding Financial Year (s) | (3) Amount transferred to Unspent CSR Account under section 135(6) (₹ in Lakhs) | (4) Balance Amount in Unspent CSR Account under section 135(6) (₹ in Lakhs) | (5) Amount spent in the Financial Year (₹ in Lakhs) | (6) Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(5), if any | | (7) Amount remaining to be spent in succeeding years. (₹ in Lakhs) | (8) Deficiency, if any |
|---------------|-------------------------------------|--|--|--|---|-------------------|---|---------------------------|
| | | | | | (₹ in Lakhs) | Date of Transfer. | | |
| 1 | 2020-21 | 0.00 | 0.00 | 0.00 | 0.00 | - | 0.00 | - |
| 2 | 2021-22 | 206.38 | 206.38 | 61.68 | 0.00 | - | 144.70 | - |
| 3 | 2022-23 | 0.00 | 144.70 | 70.81 | 0.00 | - | 73.89 | - |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : **No**

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

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

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

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

9. Specify the reason (s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135: **Not Applicable.**

Place: Dandeli

Date : 19th May, 2023

Arpita Vinay

(DIN : 06940663)

Non- Executive Independent Director

Virendraa Bangur

(DIN: 00237043)

Chairman of the CSR Committee

Annexure to Directors' Report (Contd.)

GLIMPSES OF CSR ACTIVITIES



Anganwadi Day Care Centre at Dandeli



Garden Development Nirmal Nagar- Dandeli



Distribution of Benches in Schools at Dandeli



Auto Stand at Dandeli



Compound Wall at Govt. Hospital - Dandeli



Child Health Checkup Camp at Co. OHC - Dandeli

Annexure to Directors' Report (Contd.)

PERFORMANCE EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

- (1) Attending Board/Committee Meetings. (4) Discharge of duties as per Schedule IV of the Companies Act, 2013 and compliance to other requirements of the said Act or other regulatory requirements.
- (2) Going through the agenda papers and providing inputs in the meetings of Board/ Committees.
- (3) Guidance to the company from time to time on the various issues brought to their notice.

For and on behalf of the Board

Place: Dandeli

S. K. Bangur

Date: 19th May, 2023

Chairman & Managing Director

Statement Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| S. No. | Requirements | Disclosures | | |
|--------|--|---|-----------|--|
| (i) | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; | Shri S. K. Bangur Chairman & Managing Director | : 172:1 | |
| | | Shri Virendraa Bangur Joint Managing Director | : 77:1 | |
| | | Shri Rajendra Jain Executive Director | : 44:1 | |
| | | Shri Brajmohan Prasad Company Secretary & Compliance Officer | : 5:1 | |
| (ii) | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | Shri S.K.Bangur Chairman & Managing Director | : 226.70% | (including commission paid during the year 2022-23 pertaining to 2021-22 and No commission paid during the year 2021-22 pertaining to 2020-21) |
| | | Shri Virendraa Bangur Joint Managing Director | : 137.94% | (including commission paid during the year 2022-23 pertaining to 2021-22 and No commission paid during the year 2021-22 pertaining to 2020-21) |
| | | Shri Rajendra Jain Executive Director & CFO | : 17.32% | |
| | | Shri Brajmohan Prasad Company Secretary & Compliance Officer | : 37.18% | |
| (iii) | The percentage increase in the median remuneration of employees in the financial year; | The percentage increase in the median remuneration of employees in the financial year is 7.10. | | |
| (iv) | The number of permanent employees on the rolls of company. | 2415 | | |
| (v) | Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | The average increase in salary/wages of the employees was 5.57% (other than managerial personnel) whereas remuneration to managerial personnel increased by 136.61% | | |

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Annexure to Directors' Report *(Contd.)*

| | | |
|-------|---|--|
| (vi) | The key parameters for any variable component of remuneration availed by the directors; | Commission based on profit pursuant to terms of appointment of Shri S.K.Bangur, Chairman & Managing Director and Shri Virendraa Bangur, Joint Managing Director. |
| (vii) | Affirmation that the remuneration is as per the remuneration policy of the company. | It is hereby affirmed that remuneration paid is as per the remuneration policy of the Company. |

Annexure to Directors' Report (Contd.)

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of listed entity

| Sl. No | Required Information | |
|--------|--|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L02101KA1955PLC001936 |
| 2 | Name of the Listed Entity | West Coast Paper Mills Limited |
| 3 | Year of incorporation | 1955 |
| 4 | Registered office address | PB No. 5, Bangur Nagar, Dandeli – 581325 District – Uttara Kannada, Karnataka |
| 5 | Corporate address | 31, Jawaharlal Nehru Road, Kolkata 700016 West Bengal, India |
| 6 | E-mail | co.sec@westcoastpaper.com |
| 7 | Telephone | 08284-231391-395 |
| 8 | Website | www.westcoastpaper.com |
| 9 | Financial year for which reporting is being done | FY 2022-23 |
| 10 | Name of the Stock Exchange(s) where shares are listed | National Stock Exchange of India Limited ('NSE') BSE Limited ('BSE') |
| 11 | Paid-up Capital | ₹1321 Lakhs |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Shri Rajendra Jain Executive Director & CFO 08284 231391 edoffice@westcoastpaer.com DIN: 07250797 |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | All the disclosures in this report is on standalone basis. |

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

| Sl. No | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|--|----------------------------------|-----------------------------|
| 1 | Manufacture of Pulp, Paper and Paper Board | Integrated paper manufacturing | 93% |
| 2 | Manufacture of Optic Fibre Cable | Manufacture of optic fibre cable | 7% |

15. Products/Services sold by the Company (accounting for 90% of the turnover)

| Sl. No | Product/Service | NIC Code | % of total Turnover contributed |
|--------|---|-------------------|---------------------------------|
| 1 | Writing & Printing Paper, Cup Stock Paper Board, Pulp, etc. | 17011,17016,17093 | 93% |
| 2 | Optic Fibre Cable | 27310 | 7% |



Annexure to Directors' Report (Contd.)

III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | 2 | 6 | 8 |
| International | - | - | - |

17. Markets served by the Company

- a. Number of locations

| Locations | Number |
|----------------------------------|--------|
| National (No. of States) | 21 |
| International (No. of Countries) | 13 |

- b. What is the contribution of exports as a percentage of the total turnover of the Company?

| | |
|-------------------|-----------|
| FY 2022-23 | 1% |
|-------------------|-----------|

- c. Types of customers

The Company sells its products in the B2B and B2C market through a network of distributors, nationally and internationally. The Company offers WESCO brand premium printing papers to suit high-end printing applications. Some of the Banks are using our customized water-marked security-paper in printing cheque leaves. The optic fibre cable is also sold in B2B and B2C market through distributors, commercial and industrial establishments and Government Institutions.

IV. Employees

18. Details as at the end of Financial Year, i.e. March 31, 2023:

- a. Employees and workers (including differently abled):

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|------------------|--------------------------|-----------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 862 | 855 | 99.19% | 7 | 0.81% |
| 2. | Other than Permanent (E) | 80 | 65 | 86.84% | 15 | 13.16% |
| 3. | Total employees (D+E) | 942 | 920 | 98.67% | 22 | 1.33% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 1555 | 1551 | 99.74% | 4 | 0.26% |
| 5. | Other than Permanent (G) | 1789 | 1538 | 85.97% | 251 | 14.03% |
| 6. | Total workers (F+G) | 3344 | 3089 | 92.37% | 255 | 7.63% |

- b. Differently abled Employees and workers:

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|-----------|----------|-------------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | - | - | - | - | - |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | Total differently abled employees (D+E) | - | - | - | - | - |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | 5 | 5 | 100% | - | - |
| 5. | Other than Permanent (G) | 1 | 1 | 100% | - | - |
| 6. | Total differently abled workers (F+G) | 6 | 6 | 100% | - | - |

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19. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|------------------------------------|-----------|-------------------------------|---------|
| | | No. (B) | % (B/A) |
| Board of Directors (Including KMP) | 10 | 2 | 20% |
| Key Management Personnel | 5 | - | - |

20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

| | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | |
|---------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 8.90% | - | 8.90% | 6.63% | - | 6.63% | 3.96% | - | 3.96% |
| Permanent Workers | 3.23% | - | 3.23% | 3.76% | - | 3.76% | 1.95% | - | 1.95% |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Name of holding/subsidiary/associate companies/joint ventures

| Sl. No. | Name of the holding/subsidiary/associate companies/joint ventures (A) | Indicate whether Holding/Subsidiary/Associate/Joint Venture | % of shares held by the Company | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No) |
|---------|---|---|---------------------------------|---|
| 1 | Andhra Paper Limited (APL). | Subsidiary | 72.24 | No |
| 2 | West Coast Opticable Limited (WCOL). | Subsidiary | 100 | No |
| 3 | Speciality Coatings and Laminations Ltd. | Associate | 37.33 | No |

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

All the requirement of Schedule VII of the Companies Act, 2013 has been complied with and are disclosed on the Company's website at <https://www.westcoastpaper.com/csr/>

(ii) Turnover (₹ in Lakhs) : 2,79,086

(iii) Net worth (₹ in Lakhs) : 2,05,051

VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy) | FY2022-23 | | | FY2021-22 | | |
|---|---|---|---|---------|---|---|---------|
| | | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks |
| Communities | Yes. Refer Point 1. | - | - | - | - | - | - |
| Investors (other than shareholders) | Yes. Refer Point 2. | - | - | - | - | - | - |
| Shareholders | | 6 | - | - | 5 | - | - |
| Employees and workers | Yes. Refer Point 3. | - | - | - | - | - | - |
| Customers | Yes. Refer Point 4. | 50 | - | - | 72 | - | - |
| Value Chain Partners | Yes. Refer Point 5. | - | - | - | - | - | - |
| Other (please specify) | - | - | - | - | - | - | - |

Annexure to Directors' Report (Contd.)

1. Communities

Addressed through the CSR Policy of the Company [<https://www.westcoastpaper.com/csr/>]

2. Shareholders

Share Department of the Company and RTA handles Investor Grievances as per SEBI (LODR) Regulations, 2015.

3. Employees and workers

The Company has Joint Negotiation Committee of management and labour which takes care of the grievance redressal mechanism for workers. Additionally, procedures includes POSH and Grievance redressal mechanism for review / redressal of issues for employees and workers.

4. Customers

Covered in contracts and agreements entered into with the dealers and customers of the Company. Feedback and complaints received by marketing and quality control are resolved.

5. Value Chain Partners

Addressed under the Ethics Policy of the Company,

[<https://www.westcoastpaper.com/wp-content/uploads/2021/03/Code-of-conduct.pdf>]

[<https://www.westcoastpaper.com/wp-content/uploads/2022/06/Whistle-Blower-Policy.pdf>]

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|---------------------------------|--|---|---|--|
| 1. | Product Quality. | Risk and Opportunity | Risk: Our customers expect us to maintain and improve upon the quality of our products. Any lapse on product quality would negatively impact our brand value and our market share. Opportunity: Upholding and improving upon our product will enable us to increase our market share as well as retain our existing customer base. Further, increasing use of paper products in the food industry is an emerging opportunity. | Continuous monitoring and improvement of product quality is required to ensure our products have a consistent quality and meet the customer's quality expectations. | Positive: Maintaining product quality would ensure that we remain competitive in our industry. |
| 2. | Raw Material: Wood Availability | Risk | Risk: Wood is the major source of raw material for pulp manufacturing. Availability of required wood is an issue. | The Company has a well-defined Plantation Programme - Site specific clones are developed as per prevailing soil and climatic conditions. | Negative: Shortage of wood may lead to high cost of sourcing of wood. |

Annexure to Directors' Report (Contd.)

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|---------------------------|--|--|--|--|
| | | | | <p>Convincing and motivating farmers to raise pulp wood plantations by development in farm forestry.</p> <p>Development of Partner nurseries for distribution of required clones.</p> <p>Adding new species of wood for the pulping process.</p> <p>Sourcing of wood from other states and development of farm forestry in neighbouring states.</p> | |
| 3. | Energy Management | Risk and Opportunity | <p>Risk: With increasing scarcity of natural resources and increasing cost, efficient management of energy becomes critical for uninterrupted business operations.</p> <p>Opportunity: Improving production process for better management of energy would not only enable us to improve operating margin but also it would enable us to reduce carbon footprint.</p> | Our Company has improved the production process, adopted better energy efficient equipment to optimize the energy consumption. During the year, through various process improvements, the Company was able to save 1,02,683 GJ of energy as compared to last year. | Negative: Increase in cost of production and not meeting carbon footprint requirement. |
| 4. | Human Rights Practices | Risk and Opportunity | <p>Risk: Absence of a comprehensive Human Rights governance structure encompassing parameters such as working conditions, child/ forced labour, fair remuneration, gender diversity, prevention of sexual harassment, freedom of association and collective bargaining will adversely impact the Company's smooth working & people development.</p> | The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. During the financial year 2022-2023, no complaints | Positive: Better work environment helps to produce cost efficient quality product. |

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| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|---------------------------|--|---|--|--|
| | | | Opportunity: This will help the Company to create better working environment, with involvement and ownership of people working in the Company. | regarding child labour, forced labour, involuntary labour, sexual harassment were received by the Company. Company has Joint Negotiating committee represented by workmen to deal with employees related issues. Long Term Settlement is signed. | |
| 5. | Environment Management | Risk | Risk: Water is a critical input material in our production process. We have to also ensure that we meet air emission & water consumption and discharge norms. | Our Company has improved production process over the years to reduce water consumption. Further, it is our constant endeavour to increase the use of recycled water in operation. During the year, through various process and improvement, we were able to reduce the water consumption by 11% in 2022-23 as compared to 2021-22 and by 37% as compared to 2015-16. We have online monitoring system for Water & Air emission. We need to conserve water using 3R principle. For this new technology and equipment are being explored and used to meet Air & Water norms. | Negative: Non-Compliance of norms may lead to closure of plant. |
| 6. | Coal - Availability | Risk and Opportunity | Risk: Availability of local coal is limited. Cost of sourcing imported coal is high. Opportunity: To look for opportunity to reduce energy (Steam & Power) consumption to reduce cost. Also look for non-fossil fuel energy sources. | We are continuously getting technical energy audit done and replacing energy inefficient equipment with energy efficient equipment & technology to reduce carbon footprint. We are also optimising using of chipper dust in Coal Fired Boilers. | Negative: Increase in energy cost due to use of high cost imported coal. |

Annexure to Directors' Report (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|---|--|--------|--------|--------|--------|--------|--------|--------|--------|
| Policy and management processes | | | | | | | | | | |
| 1. | a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | c. Weblink of the policies, if available | https://www.westcoastpaper.com/policies/ | | | | | | | | |
| 2. | Whether the Company has translated the policy into procedures. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Do the enlisted policies extend to the Company's value chain partners? (Yes/No) | N | N | N | N | N | N | N | N | N |
| 4. | Name of the national and international codes / certifications / labels / standards adopted by the Company and mapped to each principle. | <p>The Company has well defined Environment, Health and Safety (EHS) and Quality Management Systems in place and are aligned with International Standards like:</p> <p>ISO 9001 – For quality management system for design, development, manufacture and marketing of paper and paperboards.</p> <p>ISO 14001 – For designing and implementing a comprehensive Environment Management System (EMS) in line with the global standards.</p> <p>FSC® - Forest Stewardship Council Certification - Chain of Custody which indicates that the Company is using wood from responsible forests and well-managed plantations and ensures that only legally harvested wood is used for manufacture of paper/paperboard.</p> <p>ISO 45001- Occupational Health & Safety Management System in line with the global standards, in design, development, manufacture and marketing of paper and paper boards.</p> <p>https://www.westcoastpaper.com/our-certifications/</p> | | | | | | | | |
| 5. | Specific commitments, goals and targets set by the Company with defined timelines, if any. | <p>The Company has identified material ESG issues which will help in setting targets and measures.</p> <p>We have set a target of planting 1 Crore tree during FY 2023-24 which will cover around 3850 hectares of land for plantation of Subabul, Casuarina and Eucalyptus to meet the projected hardwood demand.</p> | | | | | | | | |

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| | | |
|----|--|--|
| 6. | Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met. | <p>The Company was able to reduce its energy and water consumption during the year as a result of focus on continuous process improvement. Performance of the each of the principles is reviewed periodically by various Committees led by Management and Board of Directors.</p> <p>Achieved</p> <p>Environment:</p> <ol style="list-style-type: none"> 50.01 lakhs Nos of seedling and saplings were planted against the target set for 50 lakhs in 2022-23 covering an area of around 2000 hectares of Subabul, Casuarina and Eucalyptus plantations to improve wood resource availability. Water consumption per ton of product has reduced from 91 KL in 2015-16 to 58 KL in 2022-23 i.e., by around 37%. (Target for water in 2022-23 was 63 KL pt. of Paper i.e., 3 KL reduction from 66 KL in 2021-22). Steam consumption per ton of product has reduced from 9.52 MT in 2015-16 to 8.79 MT in 2022-23 i.e., by around 8% (Target for steam in 2022-23 was 8.95 MT pt. of Paper i.e., 0.20 MT reduction from 9.15 MT in 2021-22). The Company has put in place a waste management system wherein the focus is on recycling/ recovering of waste input material to the extent possible. Nearly 97% of the chemicals used in pulping process are recovered back in the Chemical Recovery Complex and recycled. Further, almost 20% water used in the process is recycled and reused. Fly ash is being used for making eco-bricks. ETP sludge is being used for cardboards/egg tray manufacturing. <p>Social:</p> <p>More focus is being given on training, behaviour, health and safety aspect and to improve work environment by involving top to bottom personnel. Effective implementation of these programs has positively reflected in reduction in injuries among workers from 8 in FY2021-22 to 1 in FY2022-23.</p> <p>Our endeavour to provide quality products to our customers is demonstrated through 30% reduction in consumer complaints with regards to quality of our products.</p> <p>Our organization continued to engage with communities and provide necessary support to marginalised and vulnerable communities through our CSR programs.</p> |
|----|--|--|

Governance, leadership and oversight

| | | |
|----|---|--|
| 7. | <p>Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements</p> <p>The Company is a responsible corporate citizen. The Company is committed to green production, resource conservation and responsible waste management. The Company has adopted 'minimum impact-best process' technology that involves green production, resource conservation, responsible waste management and a reduced pollution load, as its core dimensions. During the year the Company managed to save 1,02,683 GJ of energy as a result of various energy saving initiatives. The Company is continuously focussing in reducing its Carbon Footprint. The Company follows 3R principle (Recycle, Reuse and Reduce) and more focus is being given at controlling at source instead of end of pipe treatment. There is significant awareness in zero accident & Environment Management culture and it is being brought in DNA of employee. This is helping the Company to produce quality product in cost efficient manner.</p> | |
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). | The Board of Directors is the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies) |
| 9. | Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | The Executive Director is responsible for decision making on sustainability related issues and implementation of Business Responsibility Policy (ies). He updates the Board of Directors and take guidance from them time to time. |

Annexure to Directors' Report (Contd.)

| | | | | | | | | | | | | | | | | | | | |
|-----|---|---|------------|------------|------------|------------|------------|------------|------------|--|---|------------|------------|------------|------------|------------|------------|------------|------------|
| 10. | Details of review of NGRBCs by the Company: | | | | | | | | | | | | | | | | | | |
| | Subject for review | Indicate whether review provided below taken by Director/Committee of the Board/any other Committee | | | | | | | | Frequency (Annually/Half yearly/Quarterly/Any other – please specify) | | | | | | | | | |
| | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| | Performance against above policies and follow up action | Committee & Board | | | | | | | | | Annually | | | | | | | | |
| | Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Committee & Board | | | | | | | | | Annually | | | | | | | | |
| 11. | Has the entity carried out independent assessment of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | The Company has a robust functional review mechanism complemented with a strong independent internal audit process that covers the working of all key policies. The audits are also conducted by various external independent firms during the year. In addition to above, relevant third-party assessments are conducted across the business units periodically. | | | | | | | | |
| 12. | If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated: | | | | | | | | | | | | | | | | | | |
| | a. | The entity does not consider the Principles material to its business (Yes/No) | | | | | | | | | Not Applicable | | | | | | | | |
| | b. | The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | | | | | | | | | |
| | c. | The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | | | | | | | | | |
| | d. | It is planned to be done in the next financial year (Yes/No) | | | | | | | | | | | | | | | | | |
| | e. | Any other reason (please specify) | | | | | | | | | | | | | | | | | |

Statutory Reports

Standalone Financials

Consolidated Financials

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|--|--|---|--|
| Board of Directors | 3 | The Directors of the Company are given extensive information through plant visit(s), periodical updates and detailed presentations. Our familiarisation programme includes awareness trainings on topics like ESG & CSR, exhaustive presentations on the Company's internal control systems, Audit process, and on new development initiatives. | 50% |
| Key Managerial Personnel | 3 | | 100% |
| Employees other than Board of Directors and KMPs | 18 | Employees undergo regular training programmes in the areas of skill upgradation, process orientation, soft skill development and safety. | 60% |

**Annexure to Directors' Report** (Contd.)

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---------|--|--|--|
| Workers | 67 | Workers are given regular process training, safety training, fire fighting training and other technical trainings. | 60% |

2. **Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year:**

Monetary

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|------------------|-----------------|---|-----------------|-------------------|--|
| Penalty/ Fine | | | | | |
| Settlement | | | Nil | | |
| Compounding fees | | | | | |

Non- Monetary

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|--------------|-----------------|---|-------------------|--|
| Imprisonment | | | | |
| Punishment | | | Nil | |

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/enforcement agencies/judicial institutions |
|--------------|---|
| NIL | NIL |

4. **Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has adopted the 'Code of Conduct', to ensure ethics, transparency and accountability in all aspects of the business. All Directors and Senior Management Personnel affirm Compliance with Code on an annual basis. <https://www.westcoastpaper.com/policies/#cod>

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| | FY 2022-23 | FY 2021-22 |
|-----------|------------|------------|
| Directors | | |
| KMPs | | |
| Employees | Nil | Nil |
| Workers | | |

Annexure to Directors' Report (Contd.)

6. Details of complaints with regard to conflict of interest

| | FY 2022-23 | | FY 2021-22 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | NIL | NIL | NIL |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | | | | |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|--|
| 3 | Human rights, labour practices, sustainability. | 40% of dealers /distributors 100% Contractors |
| 987 | Farm forestry best Practice, Agriculture Productivity, Plantation Management, Health & Safety | 100% of Farmers |
| 67 | Health & Safety | 60% Contract workers |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, there is a process in place for conflict management governed by the "Code of Conduct" for the Board of Directors.

Weblink for the same: <https://www.westcoastpaper.com/policies/#cod>

Principle 2: Business should provide goods and services in a manner that is sustainable and safe

- The Company promotes Greenery as it manufactures Paper and Boards using raw material obtained from renewable and sustainable sources from its own planted farm trees and from responsible resources giving many people jobs.
- Paper Industry holds a unique position when it comes to increasing India's Green cover. The printing and writing grades of paper manufactured by the Company are biodegradable, recyclable and environmentally friendly.
- The Company promotes awareness of quality, environment, health and safety issues through sustainable basis.
- The Company maintain sustainability requirements in respect of social, economical and environmental.
- All employees are given training on health & safety aspects at the time of joining and provided safety equipment/ accessories to ensure safe and healthy work environment. The Company has suitable welfare measures for employees like housing, canteen, school, gardens, playground, temple, club house and gym apart from statutory benefits. The major work force constitutes people from local communities which has contributed to the economic development of the region.
- Our Company helps farmers to grow trees. As part of our tree farming activity, it provides quality Clonal seedlings / bare root seedlings of Eucalyptus and Casuarina at subsidized rates to farmers and also assist them with technical help to achieve higher yields and revenues. This help for wood resource development.



Annexure to Directors' Report (Contd.)

- The Company supports the local community in the villages surrounding the mill in a number of ways which includes employment, health care, education, and various other facilities. Our social activities have made us an integral part of the local community.
- We have associated ourselves with the Jal Nirman Yojna which is a project undertaken by the district administration and is partly funded and maintained by the Company.
- We engage with our suppliers, vendors and with all those involved in the product lifecycle through various business meets to sensitize them on issues of environmental impact, social impact and ethics of doing business. The engagements helps in building a better understanding towards protecting the environment by minimizing negative impacts across commercial, social and environmental attributes that result from the production, use and disposal of the product.
- The Company has bagged several awards for excellent environment performance, safety, energy efficiency, etc. Notable Awards received by the Company in recent years UTTHAMA SURAKSHA PURASKAR" from National Safety Council – Karnataka Chapter, "National Safety Awards 2019".

Essential Indicators

- 1. Percentage of R&D and Capital expenditure (Capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and Capex investments made by the entity, respectively.**

| Segment | FY 2022-23 | FY 2021-22 |
|---------|------------|------------|
| R&D | 100% | 100% |
| Capex | 43% | 26% |

Details of improvements in environmental and social impacts

The given below environmental improvement projects undertaken during FY 2022-23 in Dandeli unit. The said projects, enhance the compliance with respect to water conservation, emission control, waste storage, fugitive dust control and waste water treatment improvement.

| Description | Total Project Cost |
|---|--------------------|
| Replacement of Boiler Bank Panels | ₹ 1548 lakhs |
| Upgradation of Enmas ABB DCS System | |
| Ador-Redkoh Make LGBT Based HFPS Control Cabinet And Controller | |
| Shrink Packing Machine | |
| 30HP Turbo Oxy Jet Aerators for ETP Plant and Diffuser | |
| Vacuum Cleaning cum Road Sweeping Machine | |

Well defined Farm Forestry Program helps farmers to grow high yield trees and revenue. This program covers and provides a means of economic survival for around 900 rural farmers and their communities. As of the end of 2023, nearly 50 lakhs seedlings and saplings have been planted. The program provided small farmers with means of survival and improved the socio-economic status of the farming communities and thereby helped in increasing green cover.

- a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

The Company sources pulp wood through private parties & farm forestry model and Government of Karnataka. Pulp wood is certified by FSC certification which ensures that paper manufacture from wood is managed socially and environmentally in a responsible way.

- b. If yes, what percentage of inputs were sourced sustainably?**

The Company has complied with FSC Controlled wood standard and 100% wood sourcing from sustainable vendors and partly from Govt of Karnataka Forest Department.

Refer: FSC Certificate – https://www.westcoastpaper.com/wp-content/uploads/2021/08/COC_CRT_WestCoastPaper_080421.pdf

Annexure to Directors' Report (Contd.)

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- (a) **Plastics (including packaging):** The Company has registered with the Central Pollution Control Board for extended producer responsibility (EPR). EPR target of 409.68 MT for the year 2022-23. The Company has engaged with duly approved agency for equivalent recycling of plastic from open market in responsible manner to meet the EPR obligation.
- (b) **E-waste:** The Company sends its E-waste to authorized dismantlers, recyclers, and re-processors for proper disposal as per requirement of State Pollution Control Board.
- (c) **Hazardous waste:** The Company disposes of hazardous waste to approved external agency for beneficial usage, recycling, or disposal in accordance with the State Pollution Control Board requirement.
- (d) **Other waste:** The Company complies with the State Pollution Control Board's requirement for non-hazardous waste disposal and it is sent to authorized external agency for beneficial usage, recycling, or disposal, while chipper dust is reused internally in boilers as a fuel to replace Fossil Fuel.

The ETP sludge is used to manufacture hard boards / egg tray, while the fly ash is used for brick manufacturing. Paper waste that is generated during the manufacturing and finishing stages is also reused within the Company's pulping process. CO₂ generated in Limekiln is used for producing PCC which is used as input for paper manufacturing.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the Company has tied up with a plastic waste management Company as per the EPR submitted to Pollution Control Board for FY23. The Company's waste collection plan aligns with the EPR action plan in accordance with Central Pollution Control Board (CPCB), demonstrating its adherence to EPR in its business operations. The progress is in line with the EPR plan.

Leadership Indicators -

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link |
|----------------|---------------------------|---------------------------------|--|---|--|
| Not Applicable | | | | | |

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| Not Applicable | | |

The Company has put in place guidelines and standards protocols, which are benchmarked against international best practices, with defined Standard Operating Procedures for identifying and mitigating social and environmental risks.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

| Indicate input material | Recycled or re-used input material to total material | |
|-------------------------|--|--------|
| | FY2023 | FY2022 |
| Paper | 2.8% | 2.6% |

Annexure to Directors' Report (Contd.)

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY2022-23 | | | FY2021-22 | | |
|--------------------------------|--|----------|-----------------|-----------|----------|-----------------|
| | Re-used | Recycled | Safely Disposed | Re-used | Recycled | Safely Disposed |
| Plastics (including packaging) | EPR is mandated from 2022-23 | | | | | |
| E-waste | The Company ensures safe and responsible disposal of waste, including both hazardous and non-hazardous material as per requirement of State Pollution Control Board. | | | | | |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
| | Not Applicable |

Principle 3: Business should respect and promote the wellbeing of all employees, including those in their value chains.

Essential indicators:

1. a. Details of measures for the wellbeing of employees:

| Category | % of employees covered by | | | | | | | | | | |
|---------------------------------------|---------------------------|------------------|-----------|--------------------|-------------|--------------------|-----------|--------------------|----------|---------------------|----------|
| | Total (A) | Health Insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 855 | 80 | 9% | 855 | 100% | - | - | - | - | - | - |
| Female | 7 | 1 | 14% | 7 | 100% | 7 | 100% | - | - | - | - |
| Total | 862 | 81 | 9% | 862 | 100% | 7 | 1% | - | - | - | - |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 65 | 6 | 9% | 5 | 8% | - | - | - | - | - | - |
| Female | 15 | - | - | 1 | 20% | - | - | - | - | - | - |
| Total | 80 | 6 | 9% | 6 | 9% | - | - | - | - | - | - |

- b. Details of measures for the wellbeing of workers:

| Category | % of workers covered by | | | | | | | | | | |
|---------------------------------------|-------------------------|------------------|-----------|--------------------|-------------|--------------------|-------------|--------------------|----------|---------------------|----------|
| | Total (A) | Health Insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 1551 | 15 | 2% | 1551 | 100% | - | - | - | - | - | - |
| Female | 4 | - | - | 4 | 100% | 4 | 100% | - | - | - | - |
| Total | 1555 | 15 | 2% | 1555 | 100% | 4 | 0.3% | - | - | - | - |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 1538 | - | - | 160 | 10% | - | - | - | - | - | - |
| Female | 251 | - | - | - | - | - | - | - | - | - | - |
| Total | 1789 | - | - | 160 | 9% | - | - | - | - | - | - |

Annexure to Directors' Report (Contd.)

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2022-23 | | | FY 2021-22 | | |
|----------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y | 100% | 100% | Y |
| Note | The Company has its own trust for managing PF & Gratuity of employees. Regular deposits are made in this trust as per law. ESI coverage is done for employees and workers as required under state regulations. | | | | | |

3. Accessibility of workplaces

Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

The offices and establishment of the Company are accessible to differently abled employees and the infrastructure is continuously improved for eliminating barriers to accessibility.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is committed to ensuring that existing employees and workers are treated fairly in an environment which is free from any form of discrimination.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent Workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention Rate | Return to work rate | Retention Rate |
| Male | - | - | - | - |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No | If yes, then give details of the mechanism in brief |
|--------------------------------|--------|--|
| Permanent workers | Yes | Yes, the Company's grievance redressal procedure is available to employees and workmen. Employees are encouraged to first discuss the grievance with their immediate reporting authority and attempt to arrive at a resolution before invoking a formal grievance redressal mechanism. The Company has instituted a Joint Negotiation Committee in which the members are selected by the employees. This committee is responsible for collating employee grievances related to working conditions, safety etc. and then discuss with the Management for resolution/ further action on the same. The mechanism to receive and redress grievances are POSH internal Committee. https://www.westcoastpaper.com/wp-content/uploads/2023/06/Policy-on-Prevention-of-Sexual-Harassment.pdf and also have whistle blower policy in place https://www.westcoastpaper.com/wp-content/uploads/2022/06/Whistle-Blower-Policy.pdf |
| Other than permanent workers | | |
| Permanent employees | | |
| Other than permanent employees | | |

Annexure to Directors' Report (Contd.)

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|---------------------------|--|--|-----------|--|--|---------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| Total Permanent Employees | 862 | 319 | 37% | 810 | 313 | 39% |
| Male | 855 | 318 | 37% | 806 | 312 | 39% |
| Female | 7 | 1 | 14% | 4 | 1 | 25% |
| Total Permanent Workers | 1555 | 1555 | 100% | 1514 | 1514 | 100% |
| Male | 1551 | 1551 | 100% | 1510 | 1510 | 100% |
| Female | 4 | 4 | 100% | 4 | 4 | 100% |

8. Details of training given to employees and workers:

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|------------------|-------------|-------------------------------|------------|----------------------|------------|-------------|-------------------------------|------------|----------------------|------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 855 | 440 | 51% | 89 | 10% | 806 | 118 | 15% | 86 | 11% |
| Female | 7 | 3 | 43% | 3 | 43% | 4 | 3 | 75% | 3 | 75% |
| Total | 862 | 443 | 51% | 92 | 11% | 810 | 121 | 15% | 89 | 11% |
| Workers | | | | | | | | | | |
| Male | 1551 | 605 | 39% | 950 | 61% | 1510 | 129 | 8% | 840 | 56% |
| Female | 4 | - | - | - | - | 4 | - | - | - | - |
| Total | 1555 | 605 | 39% | 950 | 61% | 1514 | 129 | 8% | 840 | 55% |

9. Details of performance and career development reviews of employees and workers:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total (A) | No.(B) | % (B/A) | Total (C) | No.(D) | % (D/C) |
| Employees | | | | | | |
| Male | 855 | 855 | 100% | 806 | 806 | 100% |
| Female | 7 | 7 | 100% | 4 | 4 | 100% |
| Total | 862 | 862 | 100% | 810 | 810 | 100% |
| Workers | | | | | | |
| Male | 1551 | 1551 | 100% | 1510 | 1510 | 100% |
| Female | 4 | 4 | 100% | 4 | 4 | 100% |
| Total | 1555 | 1555 | 100% | 1514 | 1514 | 100% |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company's commitment to ensuring the safety and well-being of its employees is exemplified by its compliance with ISO 45001:2018. This initiative aims to enhance the safety performance of the Company and create a safer and healthier work environment for its employees.

The Company has established Occupational Health Centre (OHC) which carryout health check-ups on a regular basis of all employees both permanent and non-permanent.

Annexure to Directors' Report *(Contd.)*

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

To ensure the safety and wellbeing of its employees, the Company employs a number of policies, audits, and programmes. The Company has HIRA and carryout job safety analysis programme in addition to an annual safety audit programme. Employees are encouraged to identify work condition related hazards. HOD takes up for rectification of those observation. The Company has full-fledged Safety Department of qualified and experienced safety professionals. To create ownership, whole plant is divided amongst safety officials. They continuously take round of related work area of plant. They take the pictures of unsafe condition and unsafe behaviours and followed up with concerned HOD for early resolution. The Company gives utmost importance to safety culture in the plant. The Safety Officers are authorised to stop the work wherever they find unsafe working. In last 5 years, more than 2000 safety observation have been identified and resolved. Job Safety Analysis (JSA) is carried out before starting new maintenance work by involving all concerned. The Company has Work Permit System. LOTO (Lock Out Tag Out) Tool Box talk is in place. The Company engages outside safety experts for carrying out work related hazards audit, it encourages safety audit by intra department team to identify safety hazards, it also calls the Safety experts of chemical suppliers to identify improvement opportunities and sends Safety Officers to nearby industries for learning and identifying safety hazards.

c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has implemented several programs to enhance safety in the workplace. These initiatives aim to identify potential hazards and prevent accidents from occurring, demonstrating the Company's commitment to ensuring the safety and well-being of its employees. Safety Committee is formed to which all safety issues are reported and addressed. All employees including worker are encouraged to report work related hazards. Every department conducts safety meeting and issues are discussed every quarter in Central Safety Meeting chaired by ED of the Company in which all concerned employees and union leaders participate.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

The Company is committed to health and wellbeing of its employees. The Company conducts various medical check-up camps. The Company engages outside experts for counselling of health and mental related aspects of the employees. The employees make use of these facilities relating to non-occupational medical and health care.

11. Details of safety related incidents, in the following format:

| Safety Incident /Number | Category | FY2023 | FY2022 |
|---|--------------------------------------|---------|--------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees (Staff+ Permanent workmen) | - | - |
| | Workers (Contractors) | 0.00085 | 0.007 |
| Total recordable work-related injuries | Employees (Staff+ Permanent workmen) | - | - |
| | Workers (Contractors) | 1 | 8 |
| No. of fatalities | Employees (Staff+ Permanent workmen) | - | - |
| | Workers (Contractors) | - | - |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees (Staff+ Permanent workmen) | - | - |
| | Workers (Contractors) | - | - |

12. Safety measures taken by Entity:

All employees in the Company are committed to make Safe Work Environment and it is demonstrated in the way of working in plant. Safety First culture is driven by top leadership. The Company has set vision to make ZERO Accident Plant. Safety concerns are taken very seriously. The safety performance over the period speaks about initiative taken by the Company. All employees and visitors have to follow safety protocol without fail.



Annexure to Directors' Report (Contd.)

Everybody entering and working in the factory must compulsorily wear Personal Protective Equipment. New contract employees and visitors have to undergo compulsory safety training and orientation. They are explained what safety requirements are to be followed in the factory. From time-to-time job related safety training like general safety, height working, confined space working, hot work, electrical work, chemical handling is done and all concerned to undergo the same. The Company has made specific safety related training calendar and organiser the same by internal and external faculties. The Company has full-fledged safety department having experienced safety professional. All employees are encouraged to give safety observations. The Company focusses on Safety Audit from outside experts. The Company carries out Safety Audit from internal team and also from Chemical suppliers. Safety Officers visit to nearby industry for learning best safety practices. The Company has system of Tool Box Talk, Safety Work Permit and LOTO. In case of any near miss incident, detailed investigation is done and proper action is taken. The Company has system to review safety performance in quarterly Central Safety Committee Meeting which is chaired by ED.

13. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 | | | FY 2021-22 | | |
|--------------------|--|---|---------|-----------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working Conditions | No major complaints received by safety department during the year. | | | | | |
| Health & Safety | | | | | | |

14. Assessments for the year:

| | % of plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All Sections in the plant are subjected to internal audit every year and statutory audit every 3 years. No significant concerns were raised during the audit. However, there was a minor accident in the plant resulting in minor injury. The Company has analysed the root cause leading to the accident and acted upon the findings to eliminate/minimize the risk of injury. Deviations to Standard Operating Procedure resulted in the accident and therefore, the Company has initiated follow-up trainings for all workers related to Standard Operating Procedures and health and safety procedures.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) and (B) Workers (Y/N)

Yes, the Company provides compensatory packages in the event of death, as all permanent and non permanent workers and employees are covered under Group Term Life insurance policy under benevolent fund scheme.

2. Provide the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.

Copies of monthly wage register, salary bank transfer, PF/ESI remittances are submitted by the contractors to Contract Labour Management Cell for verification for Statutory Compliance. Non-compliance is taken very seriously. Penalty is levied and contract is cancelled if required.

Annexure to Directors' Report (Contd.)

3. Provide the number of employees / workers having suffered grave consequences due to work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | Total No. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|--|------------|---|------------|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Employees | NIL | NIL | NIL | NIL |
| Workers | | | | |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | 100% (Farm Forestry Farmers/workers) |
| Working Conditions | 100% (Contract workers) |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company identifies corrective actions during FSC review and proceeds to implement and report the follow-up actions. However, There are no significant risk / concerns arising from value chain partners.

Principle 4: Business should respect the interests of and be responsive to all its stakeholders

1. Describe the processes for identifying key stakeholder groups of the Company.

The Company identifies internal and external stakeholders based on whether they are impacted by the Company or create an impact on value creation process. Based on this, the Company has identified employees as internal stakeholder and shareholders, customers, value chain partners & regulators as external stakeholders.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as vulnerable & marginalised group (Yes/ No) | Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others) | Frequency of engagement (Annually, Half yearly, quarterly /others- please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-------------------|---|---|--|---|
| Farmers | Yes | Community Meetings, Awareness meeting, One on one meetings, others | On-going | The Company engages with farmers, who form a part of the value chain directly or indirectly, for training / awareness on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms. |
| Employees | No | Senior leaders' communication, goal setting and performance appraisal meetings / review, email, intranet, circulars, notice board | On-going | Employee well-being, Grievance handling, Career development. |

Annexure to Directors' Report (Contd.)

| Stakeholder Group | Whether identified as vulnerable & marginalised group (Yes/No) | Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others) | Frequency of engagement (Annually, Half yearly, quarterly /others- please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--|--|---|--|---|
| Customers | No | Website, conferences, customer surveys, face-to-face meetings, E-mail, customer feedbacks | On-going | Complaints handling and new product development communication and feedback |
| Shareholders | No | Annual General Meeting, Shareholder meets, email, Stock Exchange (SE) intimations, Investor / Analysts meet / conference calls, annual reports, quarterly results, media releases and the Company website | Quarterly | Disseminating and sharing of financial and non-financial performance update with the shareholders with a view to update and also to seek their approval, as required. |
| Regulators/ Govt Ministries | No | Advocacy meetings with local/ state/ national regulators/ government ministries and seminars, media releases, conferences, membership in industry bodies | On-going | Compliance, Industry concerns |
| Distributors & traders | No | Conference, Emails, Community Meetings, Website, Others | On-going | The Company engages and receives cooperation and unstinted support from the distributors, retailers, stockist and others associated with the Company. |
| Suppliers Supply chain Partners Aggregators | No | Emails, Community Meetings, Website, Others | On-going | Review of supply performance, Price negotiations, Joint product developments / process upgradation, Project execution, etc., |
| Local Communities | No | CSR team meetings, Community Visits and projects, volunteerism, Meets (of Community, local authorities, town council, location head, etc.) | On-going | Implementation of CSR programs, Understand areas which need support, etc. |

Principle 5: Business should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|----------------------|--|--|-----------|------------|--|-----------|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| Employees/ Workers | | | | | | |
| Permanent | Employees are provided training on sexual harassment, avoidance of discrimination, freedom of association, forced labour, child labour, etc., through regular trade union meetings / ISO awareness sessions / on-the-job training sessions, etc. | | | | | |
| Other than permanent | | | | | | |
| Total Employees | | | | | | |

Annexure to Directors' Report (Contd.)

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|----------------------|------------|-----------------------|---------|------------------------|---------|------------|-----------------------|---------|------------------------|---------|
| | Total (A) | Equal to Minimum Wage | | More than minimum Wage | | Total (D) | Equal to Minimum Wage | | More than minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. F | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 861 | - | - | 861 | 100% | 810 | - | - | 810 | 100% |
| Male | 854 | - | - | 854 | 100% | 806 | - | - | 806 | 100% |
| Female | 7 | - | - | 7 | 100% | 4 | - | - | 4 | 100% |
| Other than permanent | 80 | 9 | 11% | 71 | 89% | 81 | 9 | 11% | 72 | 89% |
| Male | 65 | 9 | 14% | 56 | 86% | 65 | 9 | 14% | 56 | 86% |
| Female | 15 | - | - | 15 | 100% | 16 | - | - | 16 | 100% |
| Workers | | | | | | | | | | |
| Permanent | 1555 | 16 | 1% | 1539 | 99% | 1497 | - | - | 1497 | 100% |
| Male | 1551 | 16 | 1% | 1535 | 99% | 1493 | - | - | 1493 | 100% |
| Female | 4 | - | - | 4 | 100% | 4 | - | - | 4 | 100% |
| Other than permanent | 1789 | 1658 | 93% | 131 | 7% | 1786 | 1634 | 91% | 152 | 9% |
| Male | 1538 | 1407 | 91% | 131 | 9% | 1524 | 1372 | 90% | 152 | 10% |
| Female | 251 | 251 | 100% | - | - | 262 | 262 | 100% | - | - |

3. Details of remuneration/salary/wages, in the following format:

| | Male | | Female | |
|----------------------------------|--------|--|--------|--|
| | Number | Median remuneration /salary/wages of respective category | Number | Median remuneration /salary/wages of respective category |
| Board of Directors (BOD)* | 5 | ₹ 4 Lakhs | 2 | ₹ 2.63 Lakhs |
| Key Managerial Personnel (KMP) | 5 | ₹ 254.12 Lakhs | - | - |
| Employees other than BOD and KMP | 854 | ₹ 6.96 Lakhs | 7 | ₹ 10 Lakhs |
| Workers | 1551 | ₹ 5.64 Lakhs | 4 | ₹ 5.16 Lakhs |

*Total strength of The Board of Directors is 10 which include 3 Directors - Chairman & MD, Joint MD and Executive Director shown as part of KMP. Other Directors are paid sitting fees only.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has various policies and procedures in place to ensure a fair and equitable workplace. The HR / IR Head of the respective units is responsible for addressing the human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has adopted the Human rights policy which encompasses the grievance redressal mechanism. This includes POSH and Grievance redressal mechanism for review / redressal of issues.

All grievances by the Department Heads are addressed as and when received by the HR Heads. All the grievances are duly investigated and appropriate actions are taken to resolve the issue / complaint.

Annexure to Directors' Report (Contd.)

6. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 | | | FY 2021-22 | | |
|-----------------------------------|-----------------------|---|---------|-----------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment | NIL | NIL | NIL | NIL | NIL | NIL |
| Discrimination at workplace | | | | | | |
| Child Labour | | | | | | |
| Forced Labour/ Involuntary Labour | | | | | | |
| Wages | | | | | | |
| Other Human rights related issues | | | | | | |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a structured grievance redressal mechanism, with POSH and Grievance redressal mechanism, managerial intervention to review / redressal of issues as well as to safeguard the identity and to prevent adverse consequences of the complainant. In the event that an employee feels unable to discuss a grievance with his supervisor or department head, he can direct the issue to the HR Department or IR Department, as applicable.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the contract / agreements with suppliers / service providers, which involve supply of labour, addresses the human rights requirements.

9. Assessment for the year:

| | % of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties) |
|----------------------------------|---|
| Child Labour | 100% Assessed by HR / IR department through internal assessment. |
| Forced Labour/Involuntary Labour | |
| Sexual Harassment | |
| Discrimination at workplace | |
| Wages | |
| Other- please specify | |

Note: The Internal assessments is conducted as per the schedule. Assessments are also carried out by respective Government authorities.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No risk identified.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No complaints regarding human rights violations were received, which indicates that its business processes and workplace practices are designed in a way that respects human rights.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Internal assessment covers all plant locations and offices.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The establishments / offices of the Company are accessible to differently abled employees and the management continuously works towards improving infrastructure for eliminating barriers to accessibility.

Annexure to Directors' Report (Contd.)

4. Details on assessment of value chain partners

| | % of value chain partners (by value of business done with such partners) that were assessed |
|----------------------------------|---|
| Sexual Harassment | 100% For Contract Workers |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others – please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

Principle 6: Business should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2022-23 | FY2021-22 |
|---|---------------------|---------------------|
| Total electricity consumption (From Grid) (A) | 1,05,176 GJ | 49,706 GJ |
| Total fuel consumption (B) | 62,80,003 GJ | 62,68,857 GJ |
| Energy consumption through other sources (C) | - | - |
| Total energy consumption (A+B+C) | 63,85,179 GJ | 63,18,563 GJ |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) | 0.0002288 | 0.0003209 |
| Energy intensity (optional) – the relevant metric may be selected by the Company | | |

Note: Includes Both Units Dandeli and Mysuru.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -Yes

The company has In-house monitoring and tracking system with energy meters' installations at various consumption areas. Energy Audits are done periodically by BEE Certified external energy auditors.

2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes, Dandeli unit is covered under the PAT Scheme of Govt. of India. The Company has already achieved PAT Cycle 1 and PAT Cycle 2 and currently well within targeted value for PAT Cycle 3.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022-23 | FY2021-22 |
|---|-----------------------|-----------------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 1,81,67,780 KL | 1,95,03,629 KL |
| (ii) Groundwater | 1,472 KL | 1,366 KL |
| (iii) Third party water | 75 KL | - |
| (iv) Seawater / desalinated water | | |
| (v) Others -Municipal Corp. | 7923 KL | 6,342 KL |
| (vi) Others -Recycled water | 42,13,392 KL | 29,55,500 KL |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 1,81,77,250 KL | 1,95,11,337 KL |
| Total volume of water consumption (in kilolitres) | 2,23,90,642 KL | 2,24,66,837 KL |
| Water intensity per rupee of turnover (Water consumed / turnover in Rupees) | 0.0008023 | 0.0011411 |
| Water intensity per rupee of turnover (water consumed/turnover optional) – the relevant metric may be selected by the entity | | |

Note: Includes Both Units Dandeli and Mysuru.



Annexure to Directors' Report (Contd.)

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Water meter is installed at drawal point which is calibrated by external party and same is verified by Water Resource Department of Govt. There is online meter installed at Treated Effluent Plant which is verified by Pollution Control Board.

Water meters are installed at all major consumption points in the plant. Internal team monitors water consumption and identifies water reduction opportunities.

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company is an integrated pulp and paper mill where Zero Liquid Discharge (ZLD) is not feasible due to specific process requirement. Moreover, there is no Techno Economical Solutions available for ZLD. The Company draws water from Kali river. At the downstream, there is Hydro Power generating station of Karnataka Power Corporation (KPC) and water is required for power generation. As per the approval from Karnataka Pollution Control Board, after treating, around 80-85% water is discharged back in the river.

5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

| Parameter | Please specify unit | FY 2022-23 | FY 2021-22 |
|-------------------------------------|---------------------------|------------|------------|
| NOx | microgram/ m ³ | 19 | 21 |
| Sox | microgram/ m ³ | 26 | 31 |
| Particulate matter (PM10) | microgram/ m ³ | 65 | 61 |
| Particulate matter (PM2.5) | microgram/ m ³ | 30 | 28 |
| Persistent organic pollutants (POP) | - | | |
| Volatile organic compounds (VOC) | - | | |
| Hazardous air pollutants (HAP) | - | | |
| Others – please specify | - | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Online Air emission monitoring system are installed in plant which are connected with CPCB & SPCB. At prescribed frequency, quality of air emission is checked by NABL approved Lab.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|--|---|-----------------------|-----------------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 5,91,500 | 591,052 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 20,891 | 9,873 |
| | | 6,12,391 | 6,00,925 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | | 0.0000219 MT/Rupee | 0.0000305 MT/Rupee |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | | | |

Note: Includes Both Units Dandeli and Mysuru. Factors considered for calculation is taken from indiaghgp.org and cea.nic.in.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Green House Gas Emission Audit is done by external approved party. The last audit was conducted for the year 2021 by M/s. Cholamandalam MS Risk Services Limited, Chennai. The in house team monitors the same.

Annexure to Directors' Report (Contd.)

7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company got audited for GHG from external agency. Based on the report, the Company is working for reduction of steam & power in plant. Outside experts are being hired for carrying out technical audit for identifying energy efficient motor / pump, installation strengthening and required actions are being taken to reduce Fossil Fuel consumption. The Company has implemented state of art technology to reduce energy consumption. Process operation and monitoring are being done through DCS for energy efficient operation. The Company has installed Recovery Boiler where black liquor is burned for producing steam which accounts for around 57% of total steam requirement. The Company is using chipper dust along with coal to reduce use of Fossil Fuel. The Company has installed Precipitated Calcium Carbonate (PCC) plant where CO_2 generated in limekiln is used as raw material for making PCC. This has helped to reduced GHG emission. The Company is working with farmers to plant high quality pulpwood seedlings and saplings which will help CO_2 sequestering. This year target has been set to plant 1 crore seedlings/ saplings.

8. Provide details related to waste management by the Company, in the following format:

| Parameter | FY2022-23 | FY2021-22 |
|---|------------------|------------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 231.13 MT | 322.62 MT |
| E-waste (B) | - | 1.75 MT |
| Bio-medical waste (C) | 0.045994 MT | 0.051083 MT |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | - | - |
| Radioactive waste (F) | - | - |
| Other Hazardous Waste. (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) Please specify, if any. (G) | 28.59 MT | 23.45 MT |
| Total Hazardous waste | 260 MT | 348 MT |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | | |
| Total Non-hazardous waste generated (F). | 115824 MT | 131896 MT |
| Total (A+B + C + D + E + F + G + H) | 116084MT | 132244 MT |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 2137 MT | 3920 MT |
| (ii) Re-used | 102991 MT | 109488 MT |
| (iii) Other recovery operations | 10956 MT | 18836 MT |
| Total | 116084 MT | 132244 MT |
| For each category of waste generated, total waste disposed of through disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | - | - |
| (ii) Landfilling | - | - |
| (iii) Other disposal operations | 116084 MT | 132244 MT |
| Total | 116084 MT | 132244 MT |

Note: Includes Both Units Dandeli and Mysuru

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

In house SOP and tracking system is in place.

9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is taking following steps to address waste management:



Annexure to Directors' Report (Contd.)

The Company has put in place a waste management system wherein the focus is on recycling/ recovering of waste input material to the extent possible. Nearly 97% of the chemicals used in pulping process are recovered back in the Chemical Recovery Complex and recycled. Further, almost 20% water used in the process is recycled and reused. Production by-products like fly ash is disposed through contractors which is further used for making eco-bricks.

The Company being ISO 14001:2015 certified for designing and implementing a comprehensive Environment Management System (EMS) in line with the global standards. Under this Environmental Management System, the Company has guidelines for comprehensive waste management for the identification, segregation, collection, recycling and final disposal.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company doesn't have operations in any ecologically sensitive areas. Dandeli plant is outside the ESZ limit & Kali Tiger Reserve as per draft ESZ Notification of 2016.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| Nil | | | | | |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--|---|---------------------------------------|---|---------------------------------|
| Yes, the Company is in compliance with the applicable environmental regulations. | | | | |

Leadership Indicators -

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---------------------|---------------------|
| From renewable sources | | |
| Total electricity consumption (A) | - | - |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | - | - |
| Total energy consumed from renewable sources (A+B+C) | - | - |
| From non-renewable sources | | |
| Total electricity consumption (From Grid) (D) | 1,05,176 GJ | 49,706 GJ |
| Total fuel consumption (E) | 62,80,003 GJ | 62,68,857 GJ |
| Energy consumption through other sources (F) | - | - |
| Total energy consumed from non-renewable sources (D+E+F) | 63,85,179 GJ | 63,18,563 GJ |

Note: Includes Both Units Dandeli and Mysuru.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Energy Audits are done periodically by BEE Certified external energy auditors.

Annexure to Directors' Report (Contd.)

2. Provide the following details related to water discharged:

| Parameter | FY2022-23 | FY2021-22 |
|--|-----------------------|-----------------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| i) To Surface water | - | - |
| - No treatment | - | - |
| - With treatment – meeting norms. | 1,59,98,186 KL | 1,50,19,074 KL |
| (ii) To Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) To Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| Total water discharged (in kilolitres) | 1,59,98,186 KL | 1,59,98,186 KL |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Online Effluent Quality and Flow Monitoring system installed which is connected to servers of Pollution Control Board. Effluent quality is monitored by Regional Office of State Pollution Control Board from time to time and effluent samples are analysed by NABL approved Lab. The Company is meeting all prescribed norms. In house Environmental Cell monitors the same on daily basis.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

As per the Central Water Commission (CWC) Kali River does not come under water stress area.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|---|----------------|------------|
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | Not Applicable | |
| Total Scope 3 emissions per rupee of turnover | | | |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

5. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable

Annexure to Directors' Report (Contd.)

6. If the entity provided below taken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|-----------------------|--|---|
| 1 | Water Reduction | Double filtered machine back water for M/c Vacuum pump sealing & cooling for machines 1 to 5. | Water consumption per ton of product has reduced from 91 KL in 2015-16 to 58 KL in 2022-23 i.e., by around 37%. |
| 2 | Energy Saving | <p>Replacement of Mixing Chest Agitator#1 & 2 at Paper Machine#3 stock preparation by energy efficient Agitator for power saving.</p> <p>Major overhauling of HT compressor no.3 with replacement of 3rd stage inlet guide vanes casing & high speed rotor at Power House section for power saving.</p> <p>Installation of VFD for water conservation pump in Paper Machine#3 section for power saving.</p> <p>Replacement of old Fan 3 numbers with new energy efficient fans at Power House section 34.5 MW TG & FFE#2 Cooling Tower for power saving.</p> <p>Optimisation of running vacuum pumps in FFE#2 at Chemical Recovery section for power saving.</p> <p>Replacement of complete bank of air heater tubes to reduce excess air level in the exit flue gases of FBC boiler no.4 at Power House section for Power & Coal saving.</p> <p>Replacement of leaking ARC valves in BHEL Chemical Recovery Boiler feed water pump no.10 at Power House section for power saving.</p> <p>Application of protective coating on (Duromor paint) TG#4 & FFE#2 cooling tower pumps at Power House section for power saving.</p> <p>Mill wide replacement of Conventional lights (Flood light, Street light, Tube light, flame proof fixtures) with LED lights for power saving.</p> <p>Use of 5 Star energy efficient fans in place of conventional ceiling fans throughout the mill for power saving.</p> <p>Optimisation of running hot water circulation pump at Fibre line cooking section.</p> | 1,02,683 GJ was saved as a result of the energy saving initiatives during FY 2022-23. |
| 3 | Air Emission | HF Controllers were installed at Enmass recovery Boiler ESP | Completed |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has on-site Emergency Response and Disaster Management Plan. Standard Operating Procedure ensures effective management of any disaster. Mock drills are also conducted to bring awareness and prepare for actions to be taken during any accident. It is reviewed by senior leadership team on quarterly basis.

Annexure to Directors' Report *(Contd.)*

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The Company has controlled wood policy, sustainable policy, supplier code of conduct, which ensures the unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

100% of the wood suppliers are covered under FSC audits, as mentioned earlier. Major supplier of chemical, other inputs and stores items have their own system to assess the environmental impacts as we buy materials from reputed & big suppliers and also put condition in our Purchase Order.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential indicators

1. a. Number of affiliations with trade and industry chambers/associations.

12

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

| S. No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/associations (State/ National) |
|--------|--|---|
| 1 | Federation of Indian Chambers of Commerce & Industry | National |
| 2 | Indian Paper Manufacturers Association | National |
| 3 | National Safety Council | National |
| 4 | Indian Pulp & Paper Technical Association | National |
| 5 | Indian Merchants Chamber | National |
| 6 | CAPEXIL | National |
| 7 | Indian Banks Association | National |
| 8 | Karnataka Chambers of Commerce & Industry | State |
| 9 | Indian Chambers of Commerce & Industry | National |
| 10 | Coal Consumer Association of India | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

| Name of the authority | Brief of the case | Corrective action taken |
|---------------------------------|--|-------------------------|
| Competition Commission of India | Allegation, levelled against large paper manufacturers in India (including our Company) of simultaneous price increases during the period January 2012 - December 2013, is currently under evaluation by the Competition Commission of India | |

Leadership Indicators

1. Details of public policy positions advocated by the Company:

Given the Company's experience and expertise over more than 6 decades, the Company proactively, through the associations in which it has membership, engages with various stakeholders and provides its inputs on various issues concerning the paper industry.

Annexure to Directors' Report (Contd.)

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
|-----------------------------------|----------------------|----------------------|---|--|-------------------|

None of the projects require social impact Assessments. For any increase in production capacity, as required by law, Public Hearing is being conducted by District Authorities.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amount paid to PAFs in the FY (In INR) |
|--------|--|-------|----------|---|--------------------------|--|
|--------|--|-------|----------|---|--------------------------|--|

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

The Company demonstrates its commitment to an effective mechanism for addressing grievances of the community through its well established CSR initiatives. CSR Department headed by the Senior Management of the Company actively interacts with the villagers and local authorities.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2022-23 | FY 2021-22 |
|--|--|--|
| Directly sourced from MSMEs/small producers | 20% | 23% |
| Sourced directly from within the district and neighbouring districts | 32% of wood and 15% of other raw material was sourced from the district and neighbouring districts | 39% of wood and 16% of other raw material was sourced from the district and neighbouring districts |

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
|--|-------------------------|

Not applicable

2. Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount spent (in ₹) |
|--------|-------|-----------------------|---------------------|
|--------|-------|-----------------------|---------------------|

CSR projects are not undertaken in aspirational districts. The Company carryout CSR projects mainly in & around Dandeli where plant is located.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
- (b) From which marginalized /vulnerable groups do you procure?
- (c) What percentage of total procurement (by value) does it constitute?

Not applicable.

Annexure to Directors' Report (Contd.)

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|----------------|--|--------------------------|---------------------------|------------------------------------|
| Not applicable | | | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| Not applicable | | |

6. Details of beneficiaries of CSR Projects:

| Sl. No | CSR PROJECTS | No of beneficiary | % of beneficiaries from vulnerable and marginalized groups |
|--|--------------|-------------------|--|
| Refer Annexure - II to Board's Report for details on CSR activities. | | | |

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The customer complaints are received and responded to as per the "Customer Complaint Handling Standard Operating Procedure" of the Company. The complaints are received at various Branches and transferred to plant for review by Quality Control team. Plant & Marketing team visit customer site as per requirement to resolve complaint. Findings are resolved at Corporate Marketing Office. In case of genuine product quality complaint, compensation is considered or material is replaced as the case may be. Customers are informed about action taken in plant to improve quality. Top leadership at Plant & Corporate Office level reviews the Customers Complaint and take action.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | Pulp & Paper: 93% |
| Safe and responsible usage | All Products of the Company contain all relevant information as required under applicable laws including environment & social parameters. |
| Recycling and/or safe disposal | |

3. Number of consumer complaints in respect of the following:

| | FY 2022-23 | | Remarks | FY 2021-22 | | Remarks |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - |
| Cyber- security | - | - | - | - | - | - |
| Delivery of essential services | - | - | - | - | - | - |
| Quality of Products | 50 | - | - | 72 | - | - |
| Restrictive Trade Practices | - | - | - | - | - | - |
| Unfair Trade Practices | - | - | - | - | - | - |
| # Other (product related) | | | | | | |



Annexure to Directors' Report *(Contd.)*

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil | |
| Forced recalls | | |

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has IT Security Policy and proper protocol are followed as per SOP to address security risks and ensures data privacy.

ERP: The Company has secured and authenticated users based on their roles and responsibilities.

Data base access: Exclusively handled by IT along with the trace logs of access in secured terminal.

Network and Cyber security: The Company has authenticated secured firewalls in place along with anti-virus and other network monitoring tools in place.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Nil

Leadership Indicators

1. Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available)

Information on products of the Company is available on the Company's website at <https://www.westcoastpaper.com/products/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The product details are available on the Company's website and the packaging on all products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/ No)

Yes, the product information is displayed on the products, as required under applicable laws.

Yes, the Company conducts annual meetings for all the dealers & distributors where feedback is received regarding the products.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches, along with impact

NIL

b. Percentage of data breaches involving personally identifiable information of customers

NIL

Annexure to Directors' Report *(Contd.)*

Information as per Section 134(3) (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report to the members for the year ended 31st March, 2023.

(A) CONSERVATION OF ENERGY :

i) Measures taken for Energy conservation :

1. Replacement of Mixing Chest Agitator#1 & 2 at Paper Machine#3 stock preparation by Energy Efficient Agitator for Power Saving.
2. Major overhauling of HT compressor no.3 with replacement of 3rd stage inlet guide vanes casing & high speed rotar at Power House section for Power Saving.
3. Installation of VFD for water conservation pump in Paper Machine#3 section for Power saving.
4. Replacement of old Fan 3 numbers with new energy efficient fans at Power House section 34.5 MW TG & FFE#2 Cooling Tower for Power Saving.
5. Optimization of running vacuum pumps in FFE#2 at Chemical Recovery section for Power Saving.
6. Replacement of complete Bank of Air heater tubes to reduce excess air level in the exit flue gases of FBC Boiler no.4 at Power House section for Power & Coal Saving.
7. Replacement of leaking ARC valves in BHEL Chemical Recovery Boiler feed water pump no.10 at Power House section for Power Saving.
8. Application of protective coating on (duromor paint) TG#4 & FFE#2 cooling tower pumps at Power House section for Power Saving.
9. Mill wide replacement of Conventional lights (Flood light, Street light, Tube light, flame proof fixtures) with LED lights for Power Saving.
10. Use of 5 Star energy efficient fans in place of conventional ceiling fans throughout the mill of Power Saving.
11. Optimization of running hot water circulation pump at Fibre line cooking section.

(ii) Steps taken for utilizing alternate sources of Energy :

1. The Company is generating steam from chemical recovery boilers wherein Black Liquor Dry Solids (by product of wood) is fired to generate steam and the same is confirmed as Renewable Biomass Source by Ministry of New & Renewable Energy (U&I Group), Government of India vide their letter no. 20/122/2011-U&I dated 09.01.2012. The steam generated from chemical recovery boilers was more than 55 % of total steam generation of the mill in the year 2022-23.
2. About 30000 MT of chipper dust (Biomass) which is generated during wood chipping is used in Power Boilers against coal i.e. About 10.3 % coal is replaced by chipper dust.

(iii) Details of investment made on Energy conservation schemes & savings achieved :

| | | |
|------------------|---|----------------------|
| Total Investment | : | ₹ 267.80 Lakhs |
| Monetary Benefit | : | ₹ 496.80 Lakhs/annum |
| Coal Saving | : | 3740 MT/annum |
| Power Saving | : | 35.81 Lkwh/annum |

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

1. Cooking aid trial was taken and regularized at NFL which helped in reduction in some of the chemical consumption.
2. Shrink wrap packing introduced to eliminate high cost box packing for FS and A3 Copier Paper Packing .
3. Vibrating Screen installed on paper machine.



Annexure to Directors' Report (Contd.)

4. Ground floor waste water of paper machine being re-used in other machines through stock preparation disc filter.
5. Level controller installed at paper machines back water tank to control fibre loss.
6. Disc filter performance improved and now stock preparation super clear water is used in mould showers.
7. New product developed during the year 2022-2023 :
 - Wesco Cup Base.
 - Wesco Straw Fold, as replacement of plastic.
 - Wesco Dura Print for better production flexibility.
 - Wesco Duraleno Economical grade as replacement of high cost product.
 - Wesco Supershine lower GSM.
 - Wesco Prime lower GSM as per market requirement.
 - Wesco Eco Liner and Wesco Firma lower GSM as per market requirement.
 - Anti-Fungal Wet strength paper used in soap inner wrapper.

(ii) The benefits derived like product improvement, cost reduction, product development or imports substitution.

Improved productivity, better quality, cost reduction, conservation of valuable raw material & chemical and improved customer's satisfaction.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not any

(iv) Total Recurring expenditure incurred during the financial year 2022-23 is ₹ 72.31 Lakhs.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings and Outgo were ₹ 2754.67 Lakhs and ₹ 9928.01 Lakhs respectively (₹3148.22 Lakhs and ₹ 5729.71 Lakhs previous year).

Place: Dandeli
Date: 19th May, 2023

For and on behalf of the board
S.K. Bangur
Chairman & Managing Director
Din: 00053237

Annexure to Directors' Report *(Contd.)*

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that-

- i) In the preparation of the accounts for the financial year ended 31st March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii) The Directors have selected such accounting policies which have been applied consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The accounts for the financial year ended on 31st March, 2023 have been prepared on a 'going concern' basis.
- v) The accounts for the financial year ended on 31st March, 2023 has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind As) prescribed under section 133 of the Companies Act, 2013 and under recognized accounting practices and policies to the extent applicable.
- vi) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vii) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board

S.K. Bangur
Chairman & Managing Director

Place: Dandeli
Date: 19th May, 2023

Statutory Reports

Standalone Financials

Consolidated Financials

Annexure to Directors' Report *(Contd.)*

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To,
The Members,
West Coast Paper Mills Limited
Bangur Nagar, Dandeli – 581325

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by West Coast Paper Mills Limited (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 31 March 2023 ('Audit Period') 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 31 March 2023 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 Byelaws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The 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, 2018 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (e) 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.
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period); and
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

Annexure to Directors' Report *(Contd.)*

- (h) Securities and Exchange Board of India (Share based employee Benefits and Sweat equity) Regulations 2021 (Not applicable to the Company during the Audit Period);
 - (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) I have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Act, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following heads/groups:
- (a) The Factories Act, 1948 and Rules made thereunder.
 - (b) Labour laws and other incidental laws related to Labour and employees appointed by the Company;
 - (c) Acts and Rules prescribed under prevention and control of pollution;
 - (d) Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals.
 - (e) Acts and Rules relating to boilers, electricity explosives, fire, etc,
 - (f) Goods and Service Tax;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following specific comments/ observation/ findings: NIL

I further report that

The Board of Directors of the Company is 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. Based on the verification of the records and minutes, the decisions at Board Meetings and Committee Meetings were carried out with unanimous consent of the Directors / Committee Members and no Member dissented on the decisions taken at such meetings of the Board of Directors or Committee of the Board, as the case may be.

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 further report that during the audit period, the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Naman Gurumurthi Joshi

Practicing Company Secretary

M No. : F8389, C P No: 9579

UDIN :F008389E000337410

PR No. 1477/2021

Place : Bangalore

Date : 19.05.2023

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

Annexure to Directors' Report *(Contd.)*

'ANNEXURE A'

To,
The Members,
West Coast Paper Mills Limited
Bangur Nagar, Dandeli - 581325

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

1. Maintenance of secretarial record is responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I have followed the audit practices and process 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 Account of the Company. For the accounting financial compliance and CSR spending's we have relied on the report of internal auditor Report and statutory auditor Report.
4. I have not verified the correctness, appropriateness of financial records, Books of Account and secretarial documents of the listed subsidiary Company for the accounting, financial, corporate law compliance and CSR spending's as we have relied on the Secretarial Audit report of the Secretarial Auditor and the same should be considered for records.
5. I have not verified the correctness and appropriateness of financial records, Books of Account and Secretarial documents of the unlisted Wholly Owned Subsidiary Company for the accounting financial compliance and corporate laws compliance.
6. Wherever required, I have obtained the Management Representation about the compliances of laws, rules and regulations as per their representation report has been finalized.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management, my examination was limited to verification of procedures on test basis.
8. 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 : Bangalore
Date : 19.05.2023

Naman Gurumurthi Joshi
Practicing Company Secretary
M No. : F8389, C P No: 9579
UDIN : F008389E000337410
PR No. 1477/2021

Management Discussion and Analysis



Global Economy

Overview: The global economy was estimated to have grown at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022,

the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

The global equities, bonds and crypto assets reported an aggregated value drawdown of USD26 trillion from the peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 delivered negative returns of more than 10%.

Global FDI inflows – equity, reinvested earnings and other capital – declined

24% to nearly US\$1.28 trillion in 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023). (Source: OECD, WTO data)

The S&P GSCI (benchmark for commodity investments and a measure of global commodity performance) fell from a peak of 4319.55 in June 2022 to 3,495.76 in December 2022. There was a sharp decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

| Regional growth (%) | 2022 | 2021 |
|-----------------------------------|------|------|
| World output | 3.2 | 6.1 |
| Advanced economies | 2.5 | 5 |
| Emerging and developing economies | 3.8 | 6.3 |

Management Discussion and Analysis *(Contd.)*

Performance of major economies

| Country | GDP Growth in 2022 | GDP Growth in 2021 |
|----------------|--------------------|--------------------|
| United States | 2.1% | 5.9% |
| China | 3.0% | 8.1% |
| United Kingdom | 4.1% | 7.6% |
| Japan | 1.7% | 1.6% |
| Germany | 1.8% | 2.6% |

(Source: IMF, World Bank data)

Outlook: The global economy is projected to grow a weak 2.8% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation is projected to be 6.6% in 2023.

On the positive side, the reopening of China's economy after the waning of the pandemic, the decline in the European energy crisis and the robust US consumption outlook (despite high

inflation) remain positives. Interestingly, even as the global economy is projected to grow less than 3% for five years, India and China are likely to account for half the global growth in 2023 (Source: IMF).

Indian Economy

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity

market. India reported an estimated economic growth of 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India had retained its position as the

fifth-largest global economy and was seen as a principal driver of the global economy (with China).

Growth of the Indian economy

| | FY20 | FY21 | FY22 | FY23 |
|--------------------|------|------|------|------|
| Real GDP growth(%) | 3.7 | -6.6 | 9.1 | 7.2 |

Growth of the Indian economy quarter by quarter, FY 2022-23

| | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 |
|---------------------|--------|--------|--------|--------|
| Real GDP growth (%) | 13.1 | 6.2 | 4.5 | 6.1 |

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall than the long-period average. India's wheat harvest was expected to fall to around 102 million metric tons (MMT) in 2022-23 from 107 MMT in the preceding year due to unseasonal rains. Rice production at 132 million metric tons (MMT) almost at par with the previous year's yield. Pulses acreage grew to 31 million hectares from 28. Due to a renewed focus, the oilseed area increased by 7.31% from 102.36 lakh hectares in 2021-22 to 109.84 lakh hectares in 2022-23.

India's auto industry grew 21% in FY23; passenger vehicles (UVs, cars and vans) reported impressive growth with retail sales hitting a record high of 3.9 million units in FY23, crossing the previous high of 3.2 million units in FY19. The commercial vehicles segment grew by 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

India's exports (merchandise and services) have grown 14 percent over the same period of the previous year. As India's domestic demand remained

steady amidst a global slowdown, imports in April-March 2022-23 have grown 16.5 percent over the corresponding period of the previous year. India's exports in FY2021-22 were \$676 billion and achieved a record \$775 bn in FY23.

India's current account deficit, a crucial indicator of the country's balance of payments position, increased to \$67.1 billion or 2% of GDP from \$38.7 billion (1.2% of GDP) a year ago. India's fiscal deficit was estimated in nominal terms at ~ ₹ 17.55 lakh crore and 6.4% of GDP

Management Discussion and Analysis *(Contd.)*

for the year ending March 31, 2023.

India's headline foreign direct investment (FDI) numbers rose to a record \$84.8 billion in FY2021-22. However, during the fiscal year 2022-23, the country experienced a 16% decrease in foreign direct investment (FDI) inflows, amounting to \$71 billion on a gross basis. This decline can be attributed to the unfavourable global economic conditions and stands as the first contraction in FDI in the past ten years.

After three consecutive years of rise, India's foreign exchange reserves declined by around \$ 70 billion in 2022 amid rising inflation and interest rates. The country's forex reserves, which stood at \$606.47 billion on 1 April 2022, declined to \$578.44 billion on March 31, 2023. India's currency weakened from ₹ 75.91 to a US dollar to ₹ 82.34 as on 31 March 2023 due to a stronger dollar and weaker current account deficit.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the wholesale Price Index, WPI (which calculates the overall prices of goods before selling at retail prices) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April 2022; WPI reached its highest of 15.88% in May 2022.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. The government was estimated to have addressed 77% of

its disinvestment target (₹ 50,000 crore against a target of ₹ 65,000 crore).

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax- GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE 2022-23.

The total gross collection for FY23 was ₹18.10 lakh crore, an average of ₹1.51 lakh a month and up 22% from FY22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹ 1.6 lakh crore. For 2022-23, the government collected ₹16.61 lakh crore in direct taxes, according to data from the Finance Ministry. This amount is 17.6 percent more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹ 172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of \$2500 when consumption spikes across countries.

Outlook: According to the World Bank April 2024 projections India's GDP is projected to expand by 6.3 percent in FY24, catalysed in no small measure by 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficits. Headline and core inflation rates could trend down. Private sector investments could

revive. India's retail inflation rate could decline from 6.6 percent to 5.2 percent in FY24.

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 7.2% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade.

The outlook for private business investment remained positive despite an increase in interest rates. India remains less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The protracted geopolitical tensions, tightening global financial conditions and slowing external demand are the downside risks.

Union Budget FY 2023-24

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy through projects like PM Gati-Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. The capital expenditure

of the Indian government expanded 35.4% from ₹ 5.54 lakh crore to ₹7.50 lakh crore. An outlay of ₹ 5.25 lakh crore was made to the Ministry of Defence (13.31% of the total Budget outlay). An announcement of nearly ₹ 20,000 crores was made for the PM Gati-Shakti National Master Plan to catalyse the infrastructure

sector. An expansion of 24,500 km was initiated for the national highways network. An outlay of ₹ 1.97 lakh crore was announced for Production Linked Incentive schemes across 13 sectors.

Management Discussion and Analysis *(Contd.)*

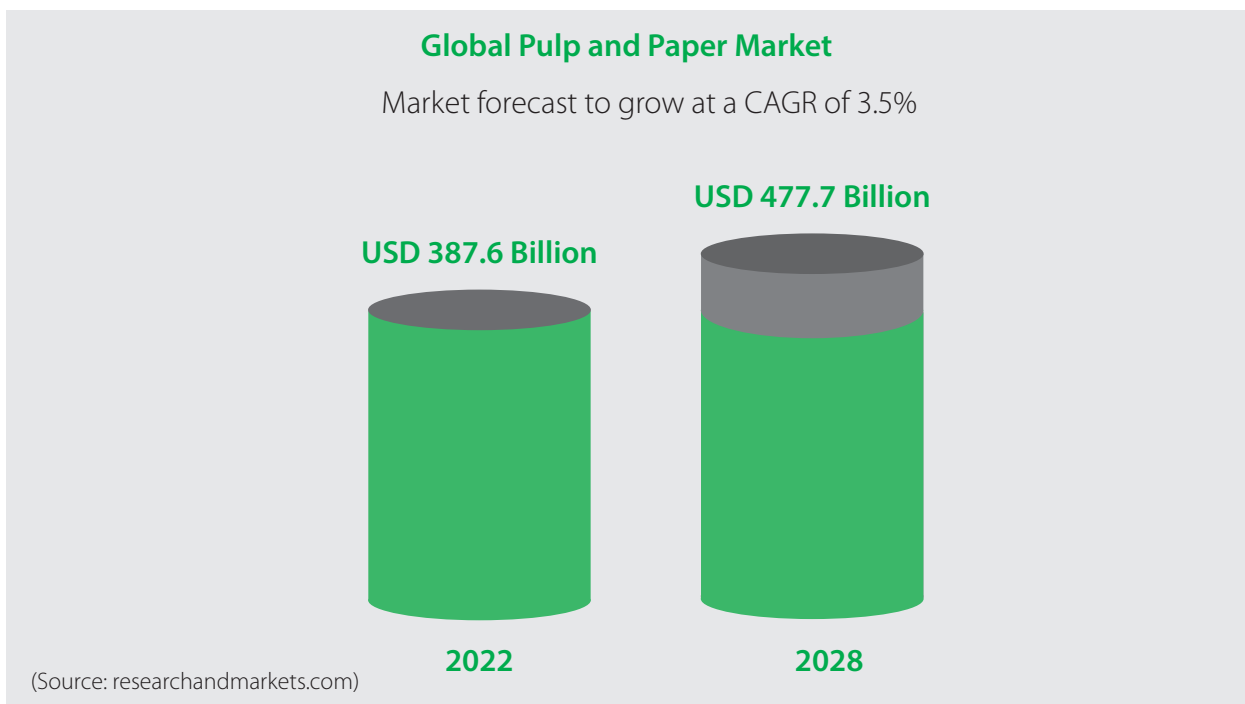
PULP AND PAPER INDUSTRY

Global

The global pulp and paper business is a significant economic sector, marked by applications in writing, printing and packaging. The global pulp and paper market was valued at around USD 387.6 billion in 2022 and is expected to surpass USD 477.7 billion by 2028 growing at a compounded annual growth rate(CAGR) of 3.5% during

the forecast period. China, the United States and Japan remained the three largest paper-producing countries, accounting for over 50% of the global output. North America held the largest share of the world's pulp and paper market, catalysed by increasing demand for packaging and consumer goods. India was the 15th largest global paper

producer, marked by a growing paper board consumption at a time when the North American and Europe markets are slowing. The one emerging trend is the growing gravitation towards eco-friendly production methods and the use of recycled materials.



Indian

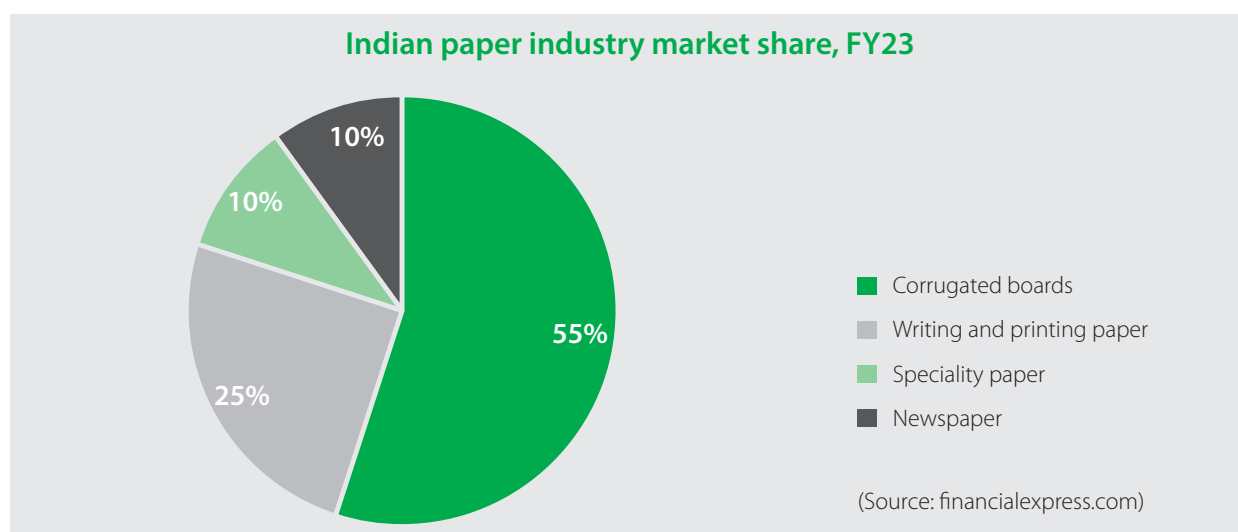
India is arguably the fastest-growing paper market. The country's paper industry is projected to experience a sustained demand surge on account of a need for quality packaging boards in addition to a growing demand for value-added paper (copier, cup stock, base paper for making straws and paper bags and other single-use paper products). India's paper and pulp domestic market size of \$10.6 Bn. Paper consumption in India was approximately 22.05 MT

in FY23. Carton boards and container boards (corrugated boards) account for 55%, followed by writing and printing paper at 25%, specialty paper at 10% and newsprint at 10%. The country is expected to grow 6-7% a year to reach 30 million tonnes by FY 2026-27, catalysed by robust growth in the packaging board. The consumer packaging segment is expected to grow by 9.5% CAGR, driven by increased volumes of household appliances, FMCG products,

ready-made garments, pharmaceuticals and e-commerce. The ban on single-use plastics is likely to increase the demand for paper-based alternatives. There has been a steady capacity increase in the packaging paper segment from FY2017 to FY2023; 2.4 lakh tonnes per annum has been added and another 4.0 lakh tonnes per annum is anticipated to be added by FY24.

(Source: researchandmarkets.com)

Management Discussion and Analysis *(Contd.)*



Outlook: The Indian sector business is estimated at \$13.4 billion by 2024, with annual paper demand expected to increase 6-7 percent, reaching 30

MTPA by FY26-27. The paper sector has demonstrated adaptability, but technical developments will be critical for quality, export and growth. Backward

integration will be required for raw material security; capacity expansion will influence viability. (Source: moneycontrol.com)

5%

India's share in the global paper industry by capacity

4.7%

India's % share of the world's paper consumption

8.8%

CAGR between 2019-2022 of the Indian paper packaging market

(Source: investindia.gov.in, Kanvic Consulting report, IPMA, Care rating)

Indian paper industry personality

Core: India's paper industry is considered a core sector, contributing significantly to the economy.

Cyclical: The industry is cyclical; its performance is linked to the health of

the global market and resource costs.

Versatile: The Indian paper industry comprises more than 850 paper mills (21% based on wood, 71% on recycled fibre and 8% on agro-residues). The

industry produces writing & printing paper, packaging grade paper, newsprint paper, specialty paper and tissue paper.

Paper market demand drivers in India

Headroom: India's per capita paper usage is roughly 13 kg, well below the global average of 57 kg, which provides a large consumption headroom

Eco-friendly packaging: There is a growing shift towards environment-friendly paper and packaging materials

Packaging market: The Indian paperboard market is a growing proxy

of the consumption-driven boom in the country; the Indian packaging market is expected to reach USD 204.81 bn by 2025.

Health/sanitation: The pandemic has catalysed the demand for specialty paper products (tissue, wipes, etc.). India's tissue and hygiene paper market is projected to grow 4.47% (2023-2027) to US\$47.36 bn by 2027.

Exports: India exports paper to various countries including those in the Middle East, Africa, Southeast Asia and Europe. The high quality and cost-effectiveness of Indian paper have made it a popular choice for businesses and individuals in these regions.

Management Discussion and Analysis *(Contd.)*

Sectoral opportunities

The Indian paper industry's growth has been marked by robust packaging and health & hygiene segment demand, catalysed by rising incomes, growing per capita expenditure and urbanisation.

Literacy: With the reopening of schools and rising enrolment numbers, increasing literacy (continued government thrust on education through various schemes) is expected to increase expenditure on textbooks, notebooks and paper products.

Health and hygiene: The demand for medical-grade tissues has risen,

along with higher office and paper consumption in hospitals.

Population growth: A growing Indian 'earning population' has enhanced disposable incomes.

Rising digital print industry: The digital printing industry is seeing significant transformations with new technologies and applications providing cost-effective and customized solutions.

Green packaging: The Indian paper packaging industry is growing on account of better paper packaging quality, consumer choice and a shift

towards eco-friendly alternatives.

Diversification: Paper companies are diversifying their product portfolio by producing hygiene products like facial tissues and household items like paper towels.

E-commerce boom: The Indian e-commerce industry is expected to grow to USD 200 billion by 2026, catalysed by smartphones and influencing the demand for packaging boards.

Sectoral threats

Digitalization: As the world shifts towards digital platforms, paper demand could decline.

Volatility: Wastepaper and pulp are critical paper raw materials, around

57% of the cost of sales. These costs are subject to fluctuations, affecting profits.

Environmentally regulated: The pulp and paper industry is energy- and water-intensive. Paper mills are

regulated by government bodies for their environmental compliance.

Segment mix and market outlook

Writing & printing: Quality printing and writing paper addresses the needs of modern print houses and the education sector (60%). This market segment is growing nominally following digitalisation even as the country's share of the global writing & printing paper segment is expected to increase from 7% to 11% by 2024. (source: technavio.com)

Packaging grade papers: The global paper packaging market size reached US\$ 416.5 Billion in 2022 and is expected to reach US\$ 503.1 billion by 2028. More than 49% of the paper produced in India is used for packaging. (source: businesswire.com, care ratings)

Paper cup stock: Paper cups are single-use disposable small container products, popular owing to biodegradability and

environmental friendliness. The paper cup market is expected to increase at a 3.10% CAGR from 2023 to 2030, reaching USD 13.55 billion, up from USD 10.61 billion in 2022. The growing popularity of takeaway services and ready-to-eat meals has catalysed demand. (source: databridgemarketresearch.com)

OPTIC FIBRE CABLE INDUSTRY

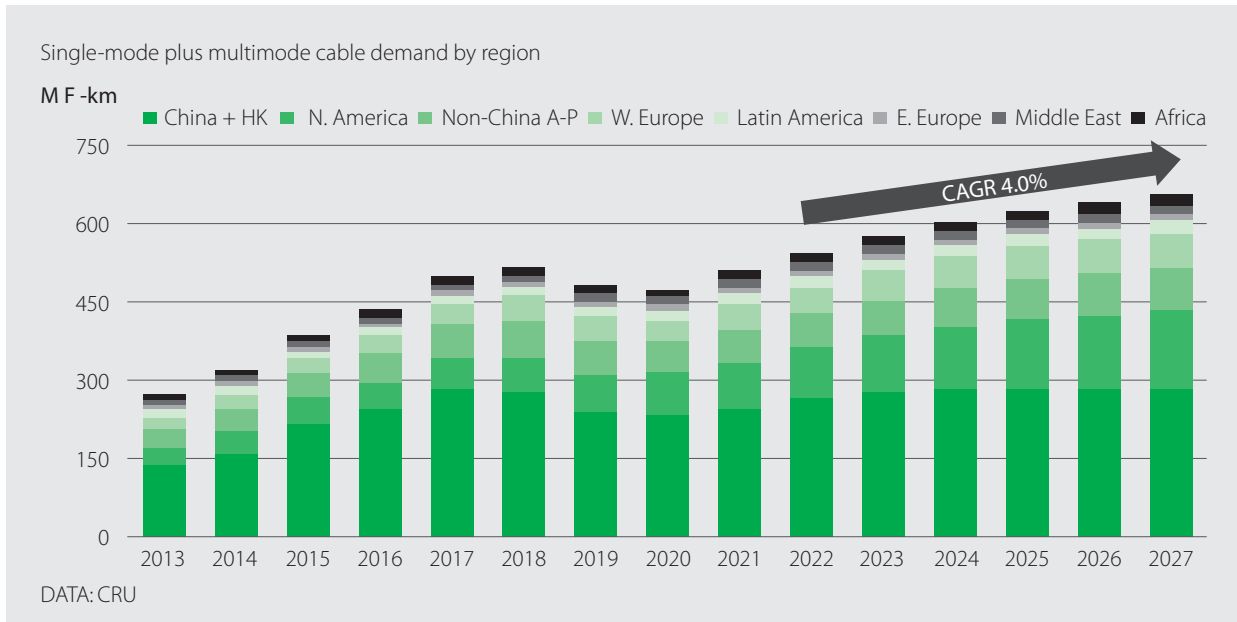
Global

The global optic fibre cable market is set to grow rapidly, expanding from 538 Million Fibre-kilometers (MF-km) in 2022 to an estimated 655 M F-km by 2027.

Despite concerns about a potential recession, demand forecasts for Europe and USA remain stable. The Asia-Pacific led the way in the optic fibre cable

market, driven by growing demand for faster connection speeds and increased bandwidth. (Source: CRU report)

Management Discussion and Analysis *(Contd.)*



Global growth drivers

Fibre to the Home (FTTH): Worldwide FTTH networks passed 7.9 million additional homes in 2022 despite supply chain and labour constraints, assisted by government funding.

Europe: While the Western European market has seen some softness, it aims to pass 25 million homes by 2026.

USA: In July 2022, the US Department of Agriculture (USDA) pledged to invest USD 401 million to provide 31,000 rural residents and businesses in 11 states with access to high-speed internet, catalysing sectorial spending.

China: This country's cable industry is expected to see demand growth of 8%

in 2023, catalysed by the 5G network, infrastructure projects and high-speed internet services demand.

These growth estimates are despite the ongoing Russia-Ukraine war, inflation and elevated deployment costs.

Indian Optic fibre cable industry

The India optic fibre market was pegged at USD 471 million in FY2023 and is expected to grow at a CAGR of 6% to USD 601 million by FY28. The Indian optical fibre market is likely to be catalysed by a continuous reduction in data cost, increasing need for fast networking and network services, growing broadband penetration, rising demand for optical communication and sensing applications and growing adoption of fibre-to-the-home (FTTH) connectivity. The Indian government's

investments in optic fibre network cable (OFC network) infrastructure, Digital India and Smart Cities Mission are expected to expand the market. Besides, the market is expected to be catalysed by National Digital Communications Policy (BharatNet and National Broadband Mission). The Budgetary allocation under the Ministry of Electronics and IT increased 41% over the revised FY23 Budget to INR 4,795 crore in addition to INR 3,000 crore for the development of semiconductors, display manufacturing,

sensors, compound semiconductors and silicon semiconductor fabs.

Outlook: The Indian optic fibre cable market is set to experience rapid growth, expanding from 22 Million Fibre-kilometers (M F-km) in 2023 to 30 M F-km by 2027. Despite ordering delays, the India fibre optics market is expected to report attractive growth through the BharatNet program and 5G deployment. (Source: CRU report)

Management Discussion and Analysis *(Contd.)*

Indian growth drivers

Increasing demand for high-speed internet: With the increasing demand for high-speed internet and data-intensive applications, such as video streaming and cloud-based services, there is a growing need for high-speed and reliable data transmission. Fibre optics cable offers superior data transmission speeds compared to traditional copper cables and infinite bandwidth capabilities making it the preferred choice for high-speed internet

and data-intensive applications.

Need for reliable and secure communication: Fibre optics cable is less susceptible to interference and signal degradation compared to copper cables, making it the preferred choice for mission-critical applications that require reliable and secure communication, such as military and aerospace applications. Fibre optics cable is also lightweight, easy to install and more durable.

Technological advancements: The development of new fibre optics technologies, such as bend-insensitive fibres and multi-core fibres, can create new opportunities for the market. These technologies offer improved performance and lower costs, making fiber optics cable more accessible to a wider range of applications with higher capacity.

Sectoral opportunities

Growing adoption of IoT: The increasing adoption of the Internet of Things (IoT) is expected to create new opportunities for the fibre optics cable market. IoT devices require fast and reliable connectivity and fibre optics cable provides the necessary

infrastructure to support these devices.

Expansion of 5G networks: The deployment of 5G networks requires high-speed and reliable connectivity, which can be provided by fibre optics cable.

Overall value: Optic fibre cables offer high speed, bandwidth, reliability, low attenuation and security and require less maintenance compared to copper cables. They are difficult to tap or intercept, ensuring high security.

Sectoral threats

Substitution: There has been lower growth in wired broadband connections following the emergence of wireless mobile internet access.

price wars, reduced profit margins and market saturation.

Technological advancement: The optic fibre cable market is exposed to technological advancement; as legacy technologies become obsolete,

demand and profits could moderate.

Regulatory changes: Changes in environmental regulations can increase the cost of manufacture and installation, while changes in telecommunications policies can affect demand.

Company overview

West Coast Paper Mills Ltd. (WCPML) is the flagship Company of the fast-growing Industrial business house "SK Bangur Group". The Company is headquartered in Kolkata. Established in 1955, WCPML produces paper products at its manufacturing facility in Dandeli (Karnataka) with a capacity of 320000 metric tonnes per annum (MTPA). The Company is self-sufficient for pulp with a corresponding capacity of 255000 MTPA and a captive power generation capacity of 74.8 megawatts. WCPML distributes products pan-India through

dealerships. In FY2020, the Company acquired a majority stake in APL, a Company that manufactures writing, printing and cut-size papers for the domestic and overseas markets. APL had a production capacity of 250000 MTPA as on 31 March 2023.

West Coast Optilinks (WCO), (Division of WCPML) formerly known as Sudarshan Telecom, is a prominent Indian manufacturer and exporter of Optical Fibre Cables. The Company boasts a cutting-edge manufacturing facility located in the Hi-Tech Electronics

zone in Mysore. WCO began its commercial operations in 1996 and has since then been producing a wide range of Optical Fiber Cables for various applications. Currently, WCO is in the process of setting up its own Optical Fibre Draw towers factory in Rangareddy, Hyderabad and construction activities are underway. The Company is also constructing a new Optical Fibre cable manufacturing plant at the same site in Rangareddy, Hyderabad, which will be its second facility after Mysore.

Management Discussion and Analysis *(Contd.)*

Business segments

Paper and paperboard division (93% of revenues): West Coast Paper Mills Ltd. is a prominent player in the Indian paper industry, producing the finest paper under the WESCO brand. A complement of office stationery, premium printing

products and value-added products helped the Company generate 93% revenue from this segment in FY23.

Cables division (7% of revenues): The Company's cables division manufactures

optical fibre cables in a manufacturing facility in Mysuru, addressing the requirements of the Indian telecom and utilities sector. The Company also exports its Optical fibre cables to various countries in Europe and MEA region.

COMPANY STRENGTHS

Paper segment

Strong market position: West Coast Paper Mills Ltd. enjoys a vast foothold in India's writing and printing paper segment on account of extensive experience, pan-India dealer network and technical expertise. The Company's paper plant enjoys a production capacity of 3.2 lakh MTPA in Dandeli; the APL plant comprises a capacity of 2.5 lakh MTPA, resulting in a visible market position.

The Company's focus is to develop new value-added products, that will support to enhance the product basket as well as market share.

Integrated: The Company comprises an integrated manufacturing facility comprising pulp, paper, captive power plants and a chemical recovery system, making the cost structure competitive across market cycles.

Capacity utilization: The Company utilizes 98% of its production capacity for the manufacturing of paper and paperboard products, enhancing economies of scale.

Distribution network: The Company comprises 66 longstanding dealers and six zonal offices; it exports to 15+ countries.

Optic fibre cable segment

Greenfield: The new greenfield plant in Rangareddy will ensure seamless availability of optical fibres which is key raw material for optical fibre cable factories at Mysuru and upcoming Optical Fibre cable factory at Hyderabad.

Robust R&D: The business widened its portfolio to include multiple products addressing telecom networks and utilities, facilitated by its R&D team and

application engineers. The Company is also developing several products required for the 5G network.

Value-chain: The backward integration into the manufacturing of optical fibres will widen the value chain and enhance competitiveness.

Reference: The Company supplies major telecom companies and network

integrators for large projects like TANFINET, which aims to connect all Tamil Nadu villages with internet and connectivity. This project is servicing as a reference to be enlisted for similar projects.

Exports: The Company exports optical fibre cables to 25 countries, validating its superior price-value proposition.

Our performance over the years

Operational review

| Production | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 |
|--|--------|--------|--------|--------|--------|
| Paper and paper board segment (Tonnes) | 314919 | 296785 | 229017 | 313876 | 304957 |
| Optical fibre cable segment (Km) | 72246 | 63630 | 54396 | 37392 | 40097 |
| Sales | | | | | |
| Paper & paper board (tonnes) | 310349 | 303715 | 234667 | 304762 | 301931 |
| Optical fibre cable (km) | 81388 | 63470 | 54982 | 37510 | 37930 |

Management Discussion and Analysis *(Contd.)*

Value impact (production)

In our Paper and Paper Board segment, we achieved a remarkable year-on-year production increase of approximately 6.11%. This growth can be attributed to our ability to meet the rising demand for paper and paperboard products. With production volumes reaching 314,919 tonnes in FY2023, up from 296,785 tonnes in FY2022, we have demonstrated our agility and responsiveness in addressing market demand. This significant increase positions us favourably in the industry, allowing us to capture a larger market share and expand our customer base.

Similarly, in the Optical Fibre Cable segment, we experienced a noteworthy year-on-year production increase of

about 13.54%. Our production quantities rose from 63,630 kilometers in FY2022 to 72,246 kilometers in FY2023. This growth showcases our ability to adapt to the growing demand for optical fibre cables and indicates our commitment to staying ahead in a rapidly evolving market. By expanding our production capacity, we are positioned to service the increasing needs of our customers and capitalize on emerging opportunities.

Value impact (sales)

In the Paper and Paper Board segment, we witnessed a modest year-on-year increase of around 2.18% in sales volume, with volumes rising from 303,715 tonnes in FY2022 to 310,349 tonnes in FY2023. While the growth rate may seem moderate, it signifies our

ability to maintain steady sales and meet customer requirements in a competitive market. This consistent performance positions us attractively for expansion and sustained market presence.

On the other hand, the Optical Fibre Cable segment experienced a substantial year-on-year sales volume increase of approximately 28.23%. Sales volumes rose from 63,470 kilometers in FY2022 to 81,388 kilometers in FY2023, indicating strong market demand for optical fibre cables and our ability to effectively meet and exceed customer expectations. This impressive growth showcases our competitiveness in the segment and our capacity to seize opportunities in the rapidly expanding telecommunications industry.

Financial review

Revenues

| Year | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 |
|----------------------|----------|----------|----------|----------|----------|
| Amount (₹ in Crores) | 2,790.86 | 1,968.80 | 1,361.82 | 1,972.51 | 1,968.52 |

Value impact: In FY23, our company achieved a noteworthy milestone with total revenues of Rs. 2,790.86 crores, representing an impressive year-on-year growth of approximately 41.75% compared to the previous fiscal year's figure of Rs. 1,968.80 crores in FY22. Moreover, the revenue trend over the past five years demonstrates our consistent commitment to generating increased income and expanding our market presence.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

| Year | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 |
|----------------------|--------|--------|--------|--------|--------|
| Amount (₹ in Crores) | 948.06 | 435.56 | 201.05 | 528.79 | 529.65 |

Value impact: The significant year-on-year growth by ₹ 512.5 crores in our EBITDA for FY2023 highlights a sharp improvement in profitability. This substantial increase is a testament to our success in optimizing operational efficiency, effectively managing costs and achieving higher revenues.

Net profit

| Year | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 |
|----------------------|--------|--------|--------|--------|--------|
| Amount (₹ in Crores) | 582.61 | 215.7 | 2.91 | 271.69 | 296.31 |

Value impact: The growth in our net profit in FY 23 of ₹ 366.91 crores showcases our ability to enhance profits and net income. This ensures the availability of ample cash for reinvestment, which fosters sustainability and success.

Total Earnings per share (EPS)

| Year | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 |
|----------------------|--------|--------|--------|--------|--------|
| Amount (₹ in Crores) | 88.89 | 33.02 | 0.31 | 41.85 | 44.82 |

Value impact: The year-on-year increase of ₹ 55.87 in the total EPS demonstrates our potential to generate higher profits for each outstanding share. By consistently generating more earnings per share, we enhance our attractiveness to investors and contribute to the potential growth of our stock value.

Management Discussion and Analysis *(Contd.)*

Total assets

| Year | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 |
|----------------------|----------|----------|----------|----------|----------|
| Amount (₹ in Crores) | 2,677.17 | 2,332.35 | 2,294.58 | 2,398.27 | 1,915.41 |

Value impact: Our company witnessed a year-on-year increase of ₹ 344.82 crores in total assets. This rise in our asset base signifies our company's expansion, diversification, and potential to generate prospective revenues.

Net-worth

| Year | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 |
|----------------------|---------|---------|---------|---------|---------|
| Amount (₹ in Crores) | 2050.51 | 1507.53 | 1298.44 | 1295.53 | 1103.52 |

Value impact: The net worth, also known as Shareholders' Equity or Book Value, of the company, increased by ₹ 542.98 crores from the previous year indicating growth in the company's overall value and the shareholders' stake. It signifies our ability to generate profits, retain earnings, and manage our liabilities effectively.

Key performance indicators

| Particulars | FY 2023 | FY 2022 | % Change | Comments | Outlook |
|---------------------------------|---------|---------|----------|---|-------------|
| Debtors' turnover (times) | 17.63 | 15.32 | 15% | Increased due to better sales and a quicker collection of outstanding | Favaourable |
| Inventory Turnover (times) | 10.08 | 8.16 | 24% | Increased due to lower average inventory and better product demand | Favaourable |
| Interest coverage ratio (times) | 32.31 | 8.25 | 292% | The increase was due to lower interest expenses (repayment of borrowings) and improved performance. | Favaourable |
| Current Ratio (times) | 2.62 | 1.65 | 58% | Favourable liquidity due to an increase in current investments and trade receivables. | Favaourable |
| Debt-equity Ratio (times) | 0.08 | 0.27 | -70% | Lower due to debt repayment | Favaourable |
| Operating Profit Margin (%) | 32.11% | 20.43% | 57% | | Favaourable |
| Net Profit Margin (%) | 20.89% | 10.99% | 90% | The increase is mainly due to overall improved performance | Favaourable |
| Return on Net Worth % | 31.91% | 16.82% | 90% | | Favaourable |

Risk management

The Company has implemented a comprehensive risk framework to identify, assess and mitigate risks. The framework comprises risk mapping, trend analysis, risk exposure evaluation and potential impacts assessment. The Board and Risk Management Committee review risks and recommend measures to manage/mitigate, them through a well-defined risk management framework outlined in the Risk Management Policy.

Environmental Sustainability:

The Company invested in a state-of-the-art effluent treatment plant and 100% elemental chlorine-free bleaching in 2010. It complies with all the prescribed norms under the Environment

Protection Act, of 1986 and other environmental regulations, including the CREP requirements.

Water and energy conservation:

The Company took measures to reduce water consumption; it decreased specific energy consumption to comply with the norms prescribed under PAT-Cycle-II.

Business environment risk: The mature and capital-intensive paper industry is exposed to competition and unpredictable market dynamics.

Mitigation: To mitigate this risk, the Company ensures adequate access to low-cost resources that make it competitive across market cycles.

Realizations risk: Declining realizations could affect the Company's profitability.

Mitigation: The Company has broad-based its portfolio risk (across writing and printing paper, packaging paper and specialty paper) so that it can capitalise on increased literacy, e-commerce and the growing demand for product packaging.

Raw materials risk: An inability to procure raw materials could impact operations.

Mitigation: The Company implemented a clonal plantation program to augment wood availability; it distributes subsidized seedlings. The company procures 50 percent of its plantation wood from within 300 km.

Management Discussion and Analysis (Contd.)

The Company also procures hardwood (Casuarina, Eucalyptus, Subabul and Acacia) from cultivators in Karnataka, Tamil Nadu and Andhra Pradesh. The Company imports pinewood pulp to manufacture specialty paper.

Quality risk: An inability to address customer demand for quality products could impact the Company's brand.

Mitigation: The Company invested in systems and processes to manufacture quality products. The Company was accredited with ISO 9001:2015 QMS, 14001:2015 EMS, ISO 45001:2018 OHSMS and FSC-certified products, validating its quality commitment.

Human resource risk: Unforeseen talent attrition could affect

competitiveness.

Mitigation: The Company has implemented various HR initiatives to retain talent apart from conducting structured training programs and succession planning for critical positions. Attrition analysis is being done through the exit interview process.

Liquidity risk: The paper industry is capital-intensive; liquidity risks can be of concern.

Mitigation: The company enjoys healthy cash flows from operations, a strong cash balance and a modestly exercised working capital limit. WCPML can service near-term commitments through accruals while retaining substantial cash.

Environmental risk: Paper mills are regulated to reduce environmental impact; this can warrant costly investments and limit their capacity to grow.

Mitigation: The company installed water-saving measures. Water use per tonne of product declined from 66 m³/MT in FY2022 to 58 m³/MT in FY2023. The firm obtained pulp wood from private parties, captive plantations, agricultural forestry programs and the Karnataka State Government. The Forest Stewardship Council Chain of Custody and Forest Stewardship Council Managed Wood certifications for pulp wood validated that the paper made from wood was socially and ecologically responsible.

Internal control systems and their adequacy

The Company has established an efficient internal control system for its business processes to ensure operational efficiency, financial reporting and compliance with applicable laws and regulations. Well-defined roles and responsibilities have been institutionalized for all managerial positions. All operating parameters are monitored and controlled and regular internal audits and checks are conducted to ensure effective execution of responsibilities. The

adequacy and effectiveness of the internal control systems are periodically reviewed by the Audit Committee of the Board of Directors, which suggests improvements to strengthen them. The Company has implemented a process-driven framework for Internal Financial Controls (IFC) in accordance with the explanation of Section 134(5) (e) of the Companies Act, 2013. For the fiscal year ended March 31, 2023, the Company has sound IFC commensurate with the nature and size of its business operations

that are operating effectively and no material weakness exists. The Company continuously monitors and identifies gaps, if any and implements new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations. The Committee members review the performance of the Statutory Auditors and Internal Auditors and take note of the adequacy of the Internal Financial Control System

Human resources

The employees of the company are considered as its most valuable resource and the company recognizes the importance of aligning human resource practices with business priorities and objectives. The workforce is the key strategic pillar that drives the business processes to attain the company's vision.

The company has maintained a healthy and cordial industrial relationship with its employees, who have been equal partners in implementing company policies and achieving stretched operational targets. During the year, the company's industrial relations remained cordial and the newly elected JNC

demanding permanency of all contract workers and indulged in illegal contract workers strike on 22.02.2023. The issue was resolved amicably. As of March 31, 2023, the company employed 2415 employees.

Cautionary statement

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations

of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw material cost and availability, changes in Government regulations, tax

regimes, macroeconomics and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events

Report on Corporate Governance

A report on Corporate Governance for the financial year 2022-23 is set out in the compliance with Corporate Governance requirements as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

It is the consistent conviction of the Company that sound and strong corporate governance standards lead to durable sustenance of business and generate long term value for all stakeholders ensuring the robust health of the corporate entity. In pursuance of this, the company has been passionately pursuing good corporate governance practices based on professional excellence, business ethics, and transparency which operate within the accepted norms of propriety, equity, fair play and a sense of justice. While the company's compliance of legislative and regulatory requirements is total and absolute, the company believes that good corporate governance goes much beyond the mere fulfilling of statutory requirements but, is also a projection towards the sound formulation of a distinct corporate culture. The Company further presumes that corporate governance is more about creating organizational excellence leading to increased customer satisfaction and stakeholder value.

The Company's highly professional and responsive Board of Directors is composed of eminent thought-leaders and seasoned stalwarts drawn from diverse fields ensuring extensive deliberation and expertise which have bearing on the process of decision-making. Accountability and transparency are the key drivers behind the board decision-making which inspires stakeholder's confidence. Openness and transparency of the company's corporate governance are reflected in the exhaustive disclosures made in the company's annual report with a view to sharing information with stakeholders, investors, analysts, and competitors.

2) BOARD OF DIRECTORS

i) Composition of the Board:

The Company's policy is to have an appropriate mix of promoters, executives and independent directors to maintain the independence of the Board. The Board comprises-

- Four Promoter Directors, including Chairman & Managing Director, Vice Chairman and Joint Managing Director.
- Five Independent, Non-Executive Directors and
- One Non-Promoter, Executive Director.

ii) Category, Attendance & other Directorship

The number of other Directorships, Memberships of other Board Committees of which he/she is a member/ chairperson as on date and attendance in Board Meetings are as follows:

| Name of the Director | Category | Board Meetings Attended | Number of other Directorships* | No. of Membership of other Board Committees (*) (**) | No. of Board Committees for which Chairperson (*) (**) |
|-----------------------|--|-------------------------|--------------------------------|--|--|
| Shri S.K. Bangur | Promoter, Chairman & Managing Director | 5 | 6 | - | 1 |
| Smt. Shashi Bangur | Promoter, Non-Executive Director | 4 | 4 | - | - |
| Shri Saurabh Bangur | Promoter, Non-Executive Vice -Chairman | 3 | 3 | 1 | - |
| Shri Virendraa Bangur | Promoter, Joint Managing Director | 5 | 8 | 1 | 2 |

Report on Corporate Governance (Contd.)

| Name of the Director | Category | Board Meetings Attended | Number of other Director-Ships* | No. of Membership of other Board Committees (*) (**) | No. of Board Committees for which Chairperson (*) (**) |
|---|---|-------------------------|---------------------------------|--|--|
| Shri Premal N. Kapadia (Second Term completed on 29.05.2022) | <i>Independent Non-Executive Director</i> | 1 | - | - | - |
| Shri Sudarshan Somani | <i>Independent Non-Executive Director</i> | 5 | 1 | - | 2 |
| Smt. Arpita Vinay | <i>Independent Non-Executive Director</i> | 4 | - | - | - |
| Shri Shiv Ratan Goenka | <i>Independent Non-Executive Director</i> | 5 | - | - | - |
| Shri Ashok Kumar Garg | <i>Independent Non-Executive Director</i> | 5 | 1 | 1 | - |
| Shri Vinod Agarwala (w.e.f.26.05.2022) | <i>Independent Non-Executive Director</i> | 4 | 4 | 4 | 2 |
| Shri Rajendra Jain | <i>Executive Director</i> | 5 | 1 | 1 | - |

*Excluding private, foreign and companies under Section 8 of the Companies Act, 2013.

**This relates to Audit and Stakeholders' Relationship Committees only.

All Directors of the Company have attended Annual General Meeting held on August 17, 2022 through Video Conference.

iii) Name of the other listed entities where person is a Director and category of Directorship as follows:

| Name of the Director | Name of Listed Entities | Category of Directorship |
|------------------------|--|--|
| Shri S.K. Bangur | 1) Andhra Paper Limited 2) Jayshree Chemicals Ltd | Chairman and Managing Director Promoter, Non-Executive Chairperson |
| Smt. Shashi Bangur | Nil | Nil |
| Shri Saurabh Bangur | 1) Andhra Paper Limited | Joint Managing Director |
| Shri Virendraa Bangur | 1) Jayshree Chemicals Ltd. 2) Taparia Tools Ltd. 3) Andhra Paper Limited | Promoter, Non-Executive Director Non-Executive Director Non- Executive Vice- Chairman |
| Shri Sudarshan Somani | 1) Andhra Paper Limited | Independent Non-Executive Director |
| Smt. Arpita Vinay | Nil | Nil |
| Shri Shiv Ratan Goenka | Nil | Nil |
| Shri Ashok Kumar Garg | Nil | Nil |
| Shri Vinod Agarwala | 1) GTL Infrastructure Ltd. 2) Technocraft Industries Ltd. 3) IRIS Business Services Ltd. 4) Supreme Infrastructure Ltd. | Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director |
| Shri Rajendra Jain | 1) Andhra Paper Limited | Non-Executive Director |

iv) Board Meetings held:

- During the year under review, Five Board Meetings were held on May 26, August 06, November 10, December 27, 2022 and February 10, 2023.
- None of the directors other than Smt. Shashi Bangur being spouse, Shri Virendraa Bangur and Shri Saurabh Bangur being sons of Shri S.K. Bangur are relatives' inter-se.

Report on Corporate Governance *(Contd.)*

(c) Smt. Shashi Bangur, Shri Saurabh Bangur and Shri Sudarshan Somani holds 2343362, 1651228 and 182300 equity shares respectively of the Company.

(v) Board Membership Criteria:

The nomination and remuneration committee work with the entire Board to determine the appropriate characteristics, skill and experience require for the Board as a whole and for individual members. Board members are expected to possess the required qualification, experience for the position.

(vi) Board Skills, Expertise or Competence

a) Following skills/expertise/competencies identified by the Board in the context of Company's business/sector and those actually available with the Board:

West Coast Paper Mills Limited is a paper manufacturing company, in view of the sector and context of the business, the Board has identified following skills/ expertise /competencies:

- Professional Qualification such as: CA/CS/CWA/BE/MBA/LL.B/LL.M/B.Tech./M.Tech./CAIIB/IRP etc.
- Educational Qualifications such as BA/B.Sc./B.Com/MA/M.Sc./M.Com etc. having the knowledge and experience in the particular field.
- Industrialist having vast knowledge and good experience of management, banking, administration and having knowledge of pulp and paper.
- Any other professional or educational qualification having well experience in Foreign Exchange/ FOREX dealings/Export/Import.

(b) Names of directors who have such skills / expertise / competence:

| Names of the Director | Skills / Expertise / Competence |
|------------------------|---|
| Shri S.K. Bangur | Industrialist having vast knowledge and good experience of management, administration of Pulp and Paper. |
| Smt. Shashi Bangur | |
| Shri Saurabh Bangur | |
| Shri Virendraa Bangur | Industrialist and areas of special interest in Paper, Newsprints, Chemicals, IT, Electronics, Optic Fibre, Telephone and Power Cable and Plantations. |
| Shri Sudarshan Somani | Well experience in Foreign Exchange/FOREX dealings/ Export/Import. |
| Smt. Arpita Vinay | B.E.(Elec.) and MBA (Finance), also holds STEP Professional Postgraduate Diploma in Private Wealth Advising. Experience in Financial Services across Wealth Management and Private Banking. |
| Shri Shiv Ratan Goenka | Industrialist having vast knowledge and good experience of management, administration. He is also a Director of Indian Chamber of Commerce, Calcutta. |
| Shri Ashok Kumar Garg | M.Com, LL.B and also a Certified Associate of Indian Institute of Banking & Finance (CAIIB).He retired as Executive Director of Bank of Baroda and has good banking experience covering Global Markets, Treasury, Credit and Wealth Management etc. |
| Shri Vinod Agarwala | B.Sc. , LL.B. and Advocate on Record, Supreme Court of India, Solicitor, High Court Bombay and Solicitor England and Wales. He has a vast legal experience. Presently acting as Arbitrator of Bombay Stock Exchange and as Director in various companies. |
| Shri Rajendra Jain | B.Com, FCA and ACS. He has hands on experience in general management as P&L Leader. |

(vii) Familiarization Program for Independent directors

In accordance with the provisions of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has been conducting familiarization programs for Independent Directors, are available at the website of the Company : www.westcoastpaper.com/Investors.

Report on Corporate Governance *(Contd.)*

viii) Declaration of Independent Directors

Independent Directors submitted declaration regarding they meet criteria of independence as required under Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 149(7) of the Companies Act, 2013, in the meeting held on 19th May, 2023, Board of Directors after due assessment of the veracity of the same confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in above said Regulations and are independent of the Management.

ix) No Independent Director has resigned before the expiry of his tenure.

x) Separate Independent Directors meeting:

Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Independent Directors meet at least once in a year without the presence of Executive Director or CMD or Management representatives and inter-alia discussed:

- a) The Performance of Non-Independent Directors and the Board as a whole.
- b) The Performance of Chairman of the Company.
- c) Assessment of the quality, quantity and timeliness flow of information between Management and the Board.

In addition to this meeting, interactions outside the Board Meeting also take place between the Chairman and the Independent Directors.

This year meeting was held on 9th February, 2023.

xi) Board Evaluation:

In terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the Committees. A structured questionnaire was circulated, covering various aspects of the Board's and Committee's functioning, cultures, performance and governance and feedback received from the directors for evaluation of the performance.

3) COMMITTEES OF THE BOARD

A) AUDIT COMMITTEE

i) Brief description of terms of reference:

Terms of Reference of the Audit Committee is as per Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that inter-alia, include overseeing financial reporting processes, reviewing periodic financial results, approval of remuneration and terms of appointment and payment to statutory auditors for any other services, auditor's independence and performance, audit process, financial statements and auditor's report thereon, review of adequacy of internal control systems with the management and adequacy of internal audit functions, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditor on any significant findings, review of transactions with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets, approval of appointment of Chief Financial Officer, evaluation of internal financial controls and risk management systems and review the functioning of the Whistle Blower Mechanism.

ii) Composition, name of Members and Chairperson:

The Audit Committee comprises four Directors, of whom three are Independent Non-Executive Directors and one is Executive Director, all of them possessing knowledge of corporate finance, accounts and company law. The Chairman of the Committee is an Independent Non-Executive Director. The Company Secretary acts as the Secretary to the Committee. The Composition of the Audit Committee is as follows:

Report on Corporate Governance *(Contd.)*

| Name of the Director | Category | Chairman/Member |
|---|----------|-----------------|
| Shri P.N. Kapadia (till 29.05.2022) | I/NED | Chairman |
| Shri Shiv Ratan Goenka (w.e.f. 30.05.2022) | I/NED | Chairman |
| Shri Sudarshan Somani | I/NED | Member |
| Shri Ashok Kumar Garg | I/NED | Member |
| Shri Rajendra Jain | ED | Member |

iii) Meetings and Attendance during the year:

During the year ended March 31, 2023, four meetings of the Audit Committee were held on May 26, August 06, November 10, 2022 and February 10, 2023. The Attendance of the Chairman and the Members of Audit Committee at the meetings held during the year review as under: -

| Name of the Director | No. of Meetings attended |
|------------------------------------|--------------------------|
| Shri Shiv Ratan Goenka | 4 |
| Shri Sudarshan Somani | 4 |
| Shri Ashok Kumar Garg | 4 |
| Shri Rajendra Jain | 4 |
| Shri P.N.Kapadia (till 29.05.2022) | 1 |

B) NOMINATION AND REMUNERATION COMMITTEE

i) Brief description of terms of reference:

Terms of Reference of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 and Regulation 19 of the SEB I(Listing Obligations and Disclosure Requirements) Regulations, 2015 the Committee periodically approve the remuneration package of Whole-time Directors/KMPs and ensure appropriate disclosure of the same, determining qualifications, positive attributes and independence of a director, formulation of criteria for evaluation of Independent Directors and the Board, devising a policy on the Board diversity, formulate the policy of Nomination & Remuneration and recommend appointment of directors, appointment and removal of senior management.

ii) Composition, name of Members and Chairperson:

The Nomination and Remuneration Committee comprises three Independent Non-Executive Directors, one Non-Executive Director and the Company Secretary acts as Ex-officio Secretary of the Committee. The Name of the Members & Chairperson of the Nomination and Remuneration Committee is as under:

| Name of the Director | Category | Chairman/Member |
|--|----------|-----------------|
| Shri Sudarshan Somani | I/NED | Chairman |
| Shri P.N.Kapadia (till 29.05.2022) | I/NED | Member |
| Shri Saurabh Bangur | NED | Member |
| Shri Shiv Ratan Goenka | I/NED | Member |
| Shri Vinod Agarwala (w.e.f. 26.05.2022) | I/NED | Member |

Report on Corporate Governance *(Contd.)*

iii) Meetings and attendance during the year:

During the year ended March 31, 2023, two meetings of the Nomination and Remuneration Committee held on May 26 and November 10, 2022. The Attendance of the Chairman and the Members of the Nomination and Remuneration Committee at the meetings held during the year review as under:

| Name of the Director | No. of Meetings attended |
|---|--------------------------|
| Shri Sudarshan Somani | 2 |
| Shri Saurabh Bangur | 1 |
| Shri Shiv Ratan Goenka | 2 |
| Shri Vinod Agarwala (w.e.f. 26.05.2022) | 1 |
| Shri P.N. Kapadia (till 29.05.2022) | 1 |

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

i) Brief description of terms of reference:

Terms of Reference of the Stakeholders Relationship Committee is as per Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Stakeholders Relationship Committee deals with approval of share transfer/transmission, issue of duplicate share certificates, split and consolidation requests, dematerialization/remat of shares, transfer of shares to IEPF and other matters relating to transfer and registration of shares.

ii) Composition, name of Members and Chairperson:

The Composition of Stakeholders Relationship Committee is as under:

| Name of the Director | Category | Chairman/Member |
|-----------------------|----------|-----------------|
| Smt. Shashi Bangur | NED | Chairperson |
| Shri Saurabh Bangur | NED | Member |
| Shri Ashok Kumar Garg | I/NED | Member |
| Shri Rajendra Jain | ED | Member |

Shri Brajmohan Prasad, Company Secretary & Compliance Officer acts as Ex-officio secretary of the Committee.

iii) Meeting and Attendance during the year:

During the year, one meeting was held on February 09, 2023. Details of attendance at the meeting are as follows:

| Name of the Director | No. of Meetings attended |
|-----------------------|--------------------------|
| Smt. Shashi Bangur | 1 |
| Shri Saurabh Bangur | 0 |
| Shri Ashok Kumar Garg | 1 |
| Shri Rajendra Jain | 1 |

iv) Complaints Status:

The Share Department of the Company and Link Intime India Pvt. Ltd., the RTA of the Company attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges etc. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the satisfaction of the investors.

Report on Corporate Governance *(Contd.)*

During the year under review, the Company has received 6 complaints from shareholders/investors, which inter-alia included non-receipt of Dividend, non-receipt of Annual Report, sub-divided shares certificate and change of name, Address, signature, the complaints were resolved.

No complaint was pending as on March 31, 2023.

D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

i) Brief description of terms of reference:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee deals with formulation and recommend annual action plan to the Board and monitor, decide the CSR activities and /or projects and recommend the amount of expenditure to be incurred on the activities under the same.

ii) Composition, name of Members and Chairperson:

The Composition of Corporate Social Responsibility Committee is as under:

| Name of the Director | Category | Chairman/Member |
|-----------------------|----------|-----------------|
| Shri Virendraa Bangur | JMD | Chairman |
| Shri Saurabh Bangur | NED | Member |
| Smt. Arpita Vinay | I/NED | Member |
| Shri Rajendra Jain | ED | Member |

iii) Meetings and Attendance during the year:

During the year, one meeting was held on May 26, 2022. Details of attendance at the meeting are as follows:

| Name of the Director | No. of Meetings attended |
|-----------------------|--------------------------|
| Shri Virendraa Bangur | 1 |
| Shri Saurabh Bangur | 0 |
| Smt. Arpita Vinay | 1 |
| Shri Rajendra Jain | 1 |

E) FINANCE AND CORPORATE AFFAIRS COMMITTEE

i) Brief description of terms of reference:

Finance and Corporate Affairs Committee deals with borrowing money, inter-corporate Loans/Deposit, parking/investing surplus funds and open / close Bank Accounts, with enhanced powers like review Financial Planning, Strategic Planning, Monitor Adequate Funds, Investment of Surplus Funds in Mutual Funds, Derivatives, Inter Corporate Deposits, Alternate Investment Funds registered with SEBI, Commercial Paper, Government Securities issued by Central / State Government and in IPO/FPO of the Companies etc.

ii) Composition, name of Members and Chairperson:

The Composition of Finance and Corporate Affairs Committee is as under:

| Name of the Director | Category | Chairman/Member |
|------------------------|----------|-----------------|
| Shri Saurabh Bangur | NED | Chairman |
| Shri S.K. Bangur | CMD | Member |
| Shri Shiv Ratan Goenka | I/NED | Member |
| Shri Rajendra Jain | ED | Member |

Report on Corporate Governance *(Contd.)*

iii) Meetings and Attendance during the year:

During the year, three meetings were held on June 16, September 21, 2022 and January 17, 2023. Details of attendance at the meetings are as follows:

| Name of the Director | No. of Meetings attended |
|------------------------|--------------------------|
| Shri Saurabh Bangur | 2 |
| Shri S.K. Bangur | 3 |
| Shri Shiv Ratan Goenka | 3 |
| Shri Rajendra Jain | 0 |

F) RISK MANAGEMENT COMMITTEE

i) Brief description of terms of reference:

Terms of Reference of the Risk Management Committee is as per Regulation 21 read with Schedule II Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the role of the Committee includes inter alia to formulate, monitor & oversee implementation and periodically review the Risk Management Policy and also keep the Board of Directors informed about the nature and content of its discussion, recommendation and action to be taken.

ii) Composition, name of Members and Chairperson:

The Composition of Risk Management Committee is as under:

| Name of the Director | Category | Chairman/Member |
|-----------------------|----------|-----------------|
| Shri Virendraa Bangur | JMD | Chairman |
| Smt. Arpita Vinay | I/NED | Member |
| Shri Rajendra Jain | ED | Member |

iii) Meetings and Attendance during the year:

During the year, two meetings were held on August 03, 2022 and January 30, 2023. Details of attendance at the meetings are as follows:

| Name of the Director | No. of Meetings attended |
|-----------------------|--------------------------|
| Shri Virendraa Bangur | 2 |
| Smt. Arpita Vinay | 2 |
| Shri Rajendra Jain | 2 |

4) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Performance evaluation criteria for independent directors are covered in Directors' Report.

5) REMUNERATION OF DIRECTORS

i) There is no pecuniary relationship or transactions between Non-Executive Directors and the Company except payment of sitting fees for attending Board and Committee Meetings as mentioned below.

ii) Remuneration

Except Chairman & Managing Director, Joint Managing Director and Executive Director, the remaining Directors do not receive any remuneration, other than sitting fees for attending the meetings of the Board of Directors and all Committee's Meeting including Independent Directors Meeting, in terms of the resolution passed by the Board of Directors in its meeting held on 10th February, 2022.

Report on Corporate Governance *(Contd.)*

iii) Details of remuneration

The details of Remuneration package, sitting fees paid etc., to Directors during the year ended March 31, 2023, for information of members, are furnished here below:

(a) Remuneration to Non-executive Directors :

| Sl. No. | Name of the Director | Sitting fees paid (₹ in Lakhs) | Remarks |
|---------|------------------------|-----------------------------------|---|
| 1. | Smt. Shashi Bangur | 2.25 | Except sitting fees for meetings of Board or its Committees, Independent Directors and Non-Executive Directors, are not paid any salary, benefits, bonuses, stock options, pension etc. There is no contract, Notice period or severance fees applicable. Stock Option details - Not applicable as the same is not given. |
| 2. | Shri Saurabh Bangur | 2.25 | |
| 3. | Shri P.N.Kapadia* | 1.00 | |
| 4. | Shri Sudarshan Somani | 4.25 | |
| 5. | Smt. Arpita Vinay | 3.00 | |
| 6. | Shri Shiv Ratan Goenka | 5.00 | |
| 7. | Shri Ashok Kumar Garg | 4.00 | |
| 8. | Shri Vinod B Agarwala | 2.50 | |
| | TOTAL | 24.25 | |

* Director was retired after completing his Second Term w.e.f. 30.05.2022.

b) Remuneration to Chairman & Managing Director/Executive Director :

| Sl. No. | Particulars | Shri S.K. Bangur (Chairman & Managing Director) | Shri Virendraa Bangur (Joint Managing Director) | Shri Rajendra Jain (Executive Director) |
|---------|---|---|--|---|
| (i) | Remuneration: (₹ in Lakhs) | | | |
| | - Salary (including bonus) | 240.00 | 184.44 | 205.08 |
| | - Contribution to Provident, Gratuity and Superannuation Fund | 76.32 | 19.43 | 30.91 |
| | - Benefits-Allowances/Perks | 7.83 | 0.93 | 18.13 |
| | - Commission | 2891.42 | 801.93 | - |
| | TOTAL | 3215.57 | 1006.73 | 254.12 |
| (ii) | Details of fixed component and performance linked incentives along with the performance criteria: | | | |
| | (a) Fixed Component: | (₹ per month) | (₹ per month) | (₹ per month) |
| | - Salary – per month | 20,00,000 | 9,63,650 | 10,27,055 |
| | - Contribution to Provident Fund & Superannuation Fund | As per Rules | As per Rules | As per Rules |
| | - Perks and other allowances | As per Rules | As per Rules | As per Rules |
| | (b) Performance Linked Incentive: | | | |
| | Commission (Based on Net Profit for the year within the individual/overall ceiling for managerial remuneration from time to time) | Up to 4% of net profit by way of Salary and Commission, all taken together. | Up to 1% of net profit | - |

Report on Corporate Governance (Contd.)

| Sl. No. | Particulars | Shri S.K. Bangur (Chairman & Managing Director) | Shri Virendraa Bangur (Joint Managing Director) | Shri Rajendra Jain (Executive Director) |
|---------|---|---|--|---|
| | (c) Minimum Remuneration: In case of inadequacy of profit in any year as calculated under section 197/198 of the Companies Act, 2013. | Within the ceiling of Schedule V, as amended from time to time. | Within the ceiling of Schedule V, as amended from time to time. | The remuneration paid to Shri Rajendra Jain, who is functioning in the professional capacity, is in line with Clause B of Section II of Part II of Schedule V of the Companies Act, 2013. |
| (iii) | Service contracts, notice period, severance fees: | | | |
| | (a) Service Contract | The re-appointment is for a further period of five years i.e., till April 30, 2026. | The appointment is for a period of three years i.e., till June 25, 2023. | The re-appointment is for a period of three years i.e., till July 30, 2024. |
| | (b) Notice period | Not specified | Not specified | Three months from either side |
| | (c) Severance fees | Not specified | Not specified | Not specified |
| (iv) | Stock Option details, if any | No Stock option issued, hence not applicable. | No Stock option issued, hence not applicable. | No Stock option issued, hence not applicable. |

Note: Shri S.K. Bangur, Smt. Shashi Bangur, Shri Saurabh Bangur and Shri Virendraa Bangur are relatives.

6) GENERAL BODY MEETINGS

The details of General Body Meetings held in the last three years are as under:

(i) Annual General Meetings

| AGM | Day | Date | Time | Location |
|------|-----------|------------|-----------|---|
| 65th | Monday | 28.09.2020 | 11:30 A.M | Bangur Nagar, Dandeli (through Video Conference) |
| 66th | Wednesday | 22.09.2021 | 11:30 A.M | Bangur Nagar, Dandeli (through Video Conference) |
| 67th | Wednesday | 17.08.2022 | 11:30 A.M | Bangur Nagar, Dandeli (through Video Conference) |

(ii) Special Resolutions passed in the previous three Annual General Meetings:

- 1 At the 67th Annual General Meeting held on 17th August, 2022, following Special Resolutions were passed:
 - i. Appointment of Shri Vinod Balmukand Agarwala (DIN:01725158) as an Independent Director of the Company.

Report on Corporate Governance (Contd.)

- 2 At the 66th Annual General Meeting held on 22nd September, 2021, following Special Resolutions were passed:
 - i. Re-appointment of Shri Sudarshan Somani (DIN: 00137568) as Independent Director of the Company.
 - ii. Re-appointment of Shri S.K.Bangur (DIN: 00053237) as Chairman & Managing Director of the Company.
 - iii. Re-appointment of Shri Rajendra Jain (DIN:07250797) as Executive Director of the Company.
- 3 At the 65th Annual General Meeting held on 28th September, 2020, following Special Resolutions were passed:
 - i. Appointment of Shri Virendraa Bangur (DIN:00237043) as Joint Managing Director of the Company.
 - ii. Approval for continuation of Shri. S. K. Bangur (DIN: 00053237) as Chairman & Managing Director of the Company.
 - iii. Approval for payment of remuneration to Shri. S. K. Bangur (DIN:00053237), Chairman & Managing Director of the Company.
 - (iii) **Special Resolution passed last year through postal ballot (under Section 110) and details of voting pattern:**

During the financial year 2022-23 one Special Resolution passed through postal ballot for appointment of Shri Ashok Kumar Garg (DIN: 07633091) as Independent Director of the Company with 99.99% voting.

Shri Naman Gurumurthi Joshi (Membership No. F8389), Company Secretaries, N.G. Joshi & Co. was appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner. After receiving the Scrutinizer's Report, it was announced that the aforesaid resolution had been passed with requisite majority on 12th April, 2022.

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7) MEANS OF COMMUNICATION

- i) The Board of Directors of the Company approves the quarterly and half-yearly unaudited financial results in the proforma prescribed pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time within forty-five days of the close of the respective periods **(except audited results for the year/last quarter within sixty days of the end of the financial year)**.
- ii) The approved financial results are submitted online immediately after the Board Meeting to the Stock Exchanges where the Company's shares are listed and are published in Business Standard/Financial Express (English) and Karavali Munjavu (Kannada) newspapers, within forty-eight hours of approval thereof by the Board of Directors.
- iii) The Company's financial results, official news releases and presentations are displayed on the Company's website: www.westcoastpaper.com.

8) GENERAL SHAREHOLDER INFORMATION

A) 68th Annual General Meeting:

Date : **17th August, 2023**

Time : 11.30 A.M.

Mode : Through Video Conference (VC)/ Other Audio-Visual Means (OAVM).

B) Tentative Financial Calendar 2023-24:

| Adoption of Quarterly Results of the quarter ending | 1st/2nd week of - |
|--|----------------------------|
| - June 30, 2023 | August 2023 |
| - September 30, 2023 | November 2023 |
| - December 31, 2023 | February 2024 |
| - March 31, 2024 (year ending) | 3rd /4th week of May, 2024 |

Report on Corporate Governance (Contd.)

C) Book Closure date: **10th August, 2023 to 17th August, 2023**
(Both days inclusive)

D) Dividend payment date: **22nd August, 2023 Onwards**

E) Listing of Equity Shares on Stock Exchanges:

The Company's equity shares are listed on the following Stock Exchanges, having nationwide trading terminals –

(a) BSE Limited
Corporate Services
Floor 25, P.J.Towers
Dalal Street
Mumbai - 400 001

(b) National Stock Exchange of India Limited
Listing Department
Exchange Plaza
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

F) Listing Fees:

Listing fee for the year 2022-23 and 2023-24 has been paid to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

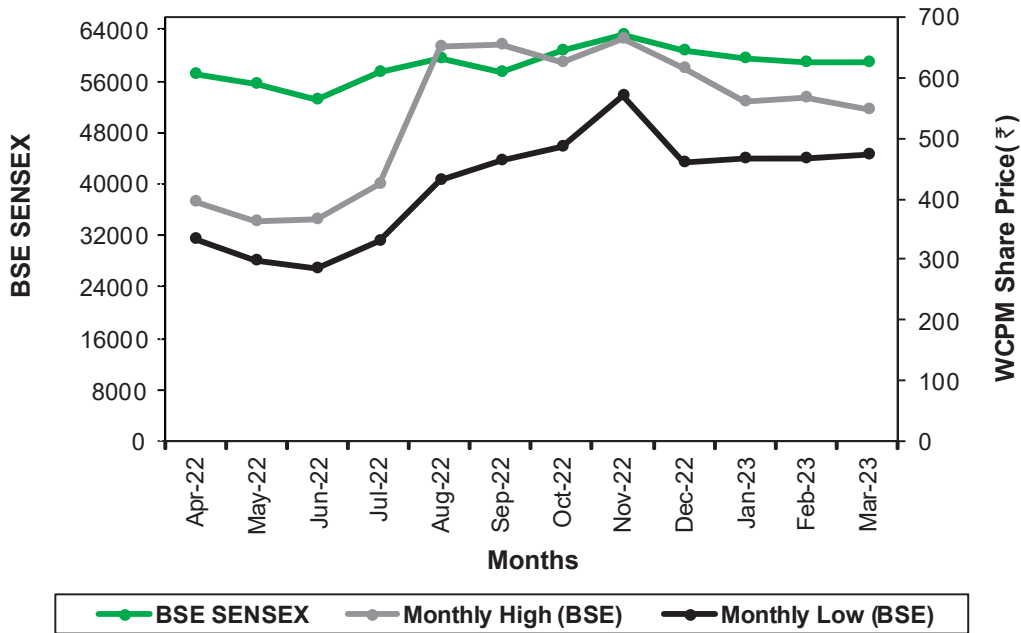
G) Stock Code:

- 1) BSE Limited - 500444
- 2) National Stock Exchange of India Ltd. - WSTCSTPAPR
- 3) ISIN No. - INE976A01021

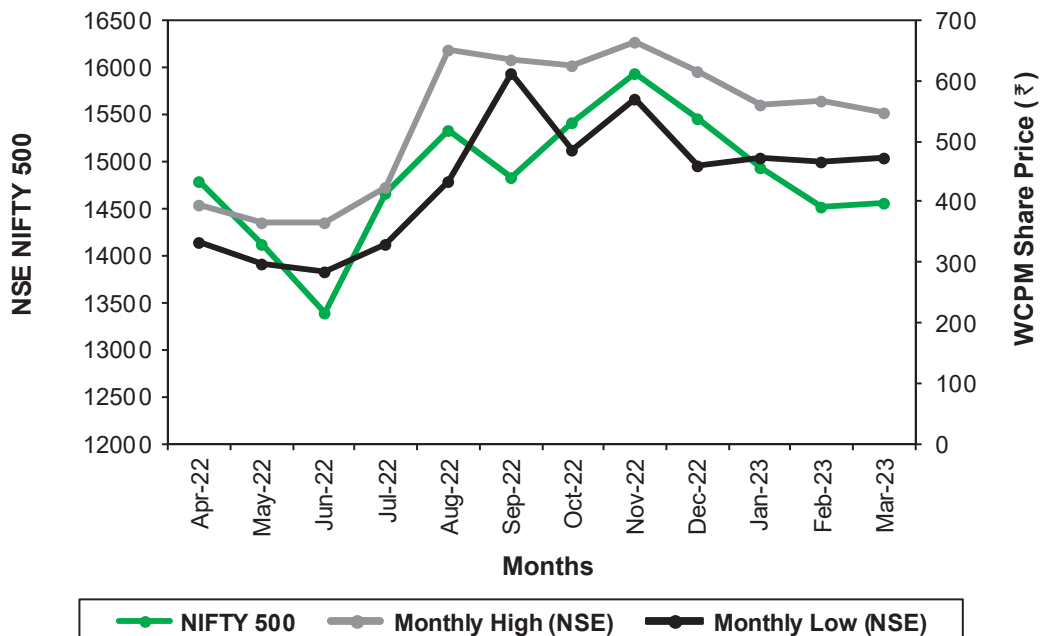
| MARKET PRICE DATA OF EQUITY SHARES (₹) | | | | |
|--|-------------------|---------------|---|---------------|
| Month | BSE Limited (BSE) | | National Stock Exchange of India Ltd. (NSE) | |
| | High | Low | High | Low |
| April, 2022 | 394.95 | 332.45 | 394.95 | 331.60 |
| May, 2022 | 364.00 | 296.60 | 367.00 | 296.00 |
| June, 2022 | 365.95 | 285.65 | 364.70 | 285.95 |
| July, 2022 | 424.95 | 331.60 | 424.50 | 331.30 |
| August, 2022 | 650.00 | 430.00 | 650.00 | 435.00 |
| September, 2022 | 653.20 | 464.30 | 635.85 | 612.50 |
| October, 2022 | 624.90 | 484.90 | 624.95 | 484.60 |
| November, 2022 | 663.80 | 571.00 | 663.95 | 570.95 |
| December, 2022 | 615.30 | 461.65 | 615.00 | 461.00 |
| January, 2023 | 560.50 | 466.05 | 560.00 | 472.50 |
| February, 2023 | 568.25 | 466.95 | 568.40 | 467.50 |
| March, 2023 | 547.50 | 472.25 | 547.95 | 471.75 |

Report on Corporate Governance (Contd.)

WCPM Share Price Performance (On BSE)



WCPM Share Price Performance (On NSE)



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H) Registrar and Share Transfer Agent:

For Shares held in physical form as well as in dematerialized form -

Link Intime India Private Ltd.
 C-101, 247 Park
 LBS Marg, Vikhroli (West), Mumbai - 400 083.
 Ph: (022) 49186000; Fax: (022) 49186060;
 E-mail: rnthelpdesk@linkintime.co.in

I) Share Transfer System:

Pursuant to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and SEBI circular dated 25.01.2022 read with Gazette Notification dated 24.01.2022, requests for transfer of securities shall be processed only in dematerialized form with depository. Transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form. **“Letter of Confirmation”** in lieu of physical securities certificate(s) shall be issued within 30 days of receipt of such request after removing objections for duplicate/ renewal / exchange / endorsement / sub-division / consolidation / Transmission / Transposition.

J) Shareholding Pattern as on March 31, 2023:

| Category | No. of shares held | % of shareholding |
|---|--------------------|-------------------|
| Promoters | 37337535 | 56.53 |
| Mutual Funds | 4679709 | 7.09 |
| Foreign Nationals, FPIs, NRIs | 5167805 | 7.82 |
| Banks, Financial Institutions, AIF, Insurance Companies | 316339 | 0.48 |
| Private Corporate Bodies, Trusts, LLP | 1470476 | 2.22 |
| Indian Public, CM, HUF | 16723194 | 25.32 |
| IEPF | 353850 | 0.54 |
| Total | 66048908 | 100.00 |

K) Distribution of Shareholding as on March 31, 2023:

| From- To | No. of shareholders | | No. of shares | |
|---------------|---------------------|---------------|-----------------|---------------|
| | Number | % | Number | % |
| 1 - 500 | 39104 | 90.00 | 2993670 | 4.53 |
| 501-1000 | 1938 | 4.46 | 1517687 | 2.30 |
| 1001-2000 | 1161 | 2.67 | 1704129 | 2.58 |
| 2001-5000 | 763 | 1.76 | 2424730 | 3.67 |
| 5001-10000 | 207 | 0.48 | 1494215 | 2.26 |
| 10001 & Above | 273 | 0.63 | 55914477 | 84.66 |
| Total | 43446 | 100.00 | 66048908 | 100.00 |

L) Dematerialization of Shares:

The Shares of the Company are in compulsory demat segment w.e.f. July 2000. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31st March 2023, 98.66% of the Shares of the Company were held in dematerialized form and rest in physical form. All the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.

Report on Corporate Governance *(Contd.)*

M) Plant Location of the Company:

i) Paper & Paperboard and Duplex Board

Bangur Nagar, Dandeli - 581 325
Uttara Kannada Dist. (Karnataka)

ii) Optical Fibre Cable Unit

West Coast Optilinks
Plot No.386/387, KIADB, Electronic City
Hebbal Industrial Area, Mysore - 570 016

N) Address for Correspondence:

The shareholders may address their communications/suggestions/ grievances/ queries pertaining to share transfer and demat requisition forms, to the Company's RTA at the following address –

Link Intime India Pvt. Ltd.,
(Unit: West Coast Paper Mills Ltd.)
C-101, 247 Park
LBS Marg, Vikhroli (West), Mumbai - 400 083.
Ph: (022) 49186000; Fax: (022) 49186060;
E-mail: rnthelpdesk@linkintime.co.in

O) Credit rating of the Company done by India Ratings and Research Limited as under:

- a) Long Term : Upgraded to 'IND AA'
- b) Short Term : Affirmed at IND A1+

9) DISCLOSURES

A) Related Party Transactions:

The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have any potential conflict with the interests of the Company. Policy on dealing with related party transactions is available on the website of the Company: www.westcoastpaper.com/investors

B) Compliance of various legal requirements by the Company:

The Company has complied with the various requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years and no penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

C) The Company has formed Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

D) The Company has complied with all the mandatory requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also adopted the following non-mandatory requirements:

- The Company is maintaining office for the Non-Executive Vice-Chairman.
- The Company is normally publishing unaudited/audited financial results without any qualifications.
- The Board members are having adequate experience and expertise to deal with business matters.



Report on Corporate Governance (Contd.)

- E) Subsidiary Company:** The Financial Statements and Investments if any, made by the unlisted subsidiary company, reviewed by the Audit Committee of the Company.

The Minutes of the unlisted subsidiary company are placed at the Board Meeting of the Company. A statement of all significant transactions and arrangements if any, entered into by the unlisted subsidiary company are also placed at the Board Meeting.

The Company has formulated a policy for determining material subsidiary as required under Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is disclosed on the Company's website: www.westcoastpaper.com.

- F)** The Company has no material subsidiaries.
- G)** During the year Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- H)** A Certificate has been issued by Shri Naman G. Joshi, Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified, is attached.
- I)** As per SEBI Notification dated May 9, 2018, total fees paid for all services rendered by Statutory Auditor for the financial year ended on 31st March, 2023 is ₹ 36.75 Lakhs.
- J)** The Company has complied with requirements specified in Regulation 17 to 27 and clause (b) to (i) of Sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- K)** Outstanding GDRs or ADRs or Warrants or any Convertible Instruments, conversion date and likely impact on equity: Nil
- L)** There is no Commodity Price Risk and Commodity Hedging activity during the year ended on 31st March, 2023.
- M) Pertaining to the Prevention of Sexual Harassment of Women at the Workplace:** As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Companies (Accounts) Amendment Rules, 2018, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and set up a Complaints Committee at its work place(s) to redress the complaints of women employees and requisite disclosures in relation thereto as under:
- i. number of complaints filed during the financial year: Nil
 - ii. number of complaints disposed during the financial year: Nil
 - iii. number of complaints pending as at the end of the financial year: Nil
- N) Dividend Distribution Policy:** In accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has approved the Dividend Distribution Policy and the same is available at the Company's website <https://www.westcoastpaper.com/policies/>

10) CEO/CFO CERTIFICATION

As required by the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate from CEO and CFO was placed before the Board of Directors at the meeting held on 19th May, 2023.

11) COMPLIANCE CERTIFICATE OF THE AUDITORS

Report on Corporate Governance *(Contd.)*

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same forms a part of this report.

The Certificate from the Statutory Auditors will be sent to the Stock Exchanges along with the Annual Report of the Company.

12) TRANSFER OF SHARES TO THE IEPF AUTHORITY

Pursuant to the provisions under Section 124(5) & (6) of the Companies Act, 2013 and read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 i.e., G.S.R. 1267(E) notified on 13.10.2017, shares in respect of which Dividend has not been paid or claimed for 7 consecutive years or more were transmitted to the demat account of IEPF authority bearing DP/CI Id No. IN300708 10656671 opened with NSDL by Ministry of Corporate Affairs.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has not transferred any Equity Shares to IEPF Authority during the financial year 2022-23.

DECLARATION

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management personnel have affirmed compliance with Code of Conduct adopted by the Board, in its meeting held on 10th February, 2023.

Place: Dandeli
Date: 19th May, 2023

For West Coast Paper Mills Limited
S.K. BANGUR
Chairman & Managing Director
DIN: 00053237

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Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
WEST COAST PAPER MILLS LIMITED
Registered Office: P B No. 5 Bangur Nagar,
Dandeli, Uttara Kannada-581325, Karnataka

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **WEST COAST PAPER MILLS LIMITED**, having CIN L02101KA1955PLC001936 and having registered office at P B NO.5, BANGUR NAGAR, DANDELI, UTTARA KANNADA-581325, KARNATAKA (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sl. No. | Name of the Director | DIN | Designation | Date of Appointment |
|---------|------------------------------|----------|---------------------|---------------------|
| 1. | Shree Kumar Bangur | 00053237 | Managing Director | 24.02.1988 |
| 2. | Shashi Bangur | 00053300 | Director | 30.05.1994 |
| 3. | Saurabh Bangur | 00236894 | Director | 28.06.2004 |
| 4. | Virendraa Bangur | 00237043 | Whole Time Director | 12.11.2019 |
| 5. | Sudarshan Vijaynarain Somani | 00137568 | Director | 10.11.2017 |
| 6. | Rajendra Jain | 07250797 | Whole Time Director | 31.07.2015 |
| 7. | Arpita Vinay | 06940663 | Director | 26.06.2020 |
| 8. | Shiv Ratan Goenka | 00225734 | Director | 29.01.2021 |
| 9. | Ashok Kumar Garg | 07633091 | Director | 10.02.2022 |
| 10. | Vinod Balmukand Agarwala | 01725158 | Director | 26.05.2022 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date: 03.05.2023

For **N G JOSHI & CO**
Naman G. Joshi
Practicing Company Secretary
CP: 9579 M NO. F8389
UDIN: F008389E000248343

Independent Auditor's Certificate on Corporate Governance

To,
The Members of
WEST COAST PAPER MILLS LIMITED

1. This Certificate is issued in accordance with the terms of our engagement letter.
2. We have examined the compliance of conditions of corporate governance by West Coast Paper Mills Limited (the 'Company') for the year ended March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing, and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in Listing Regulations during the year ended March 31, 2023.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No: 302049E

Sudesh Choraria
Partner
Membership No. 204936
UDIN: 23204936BGY1TL9671

Date: May 19, 2023
Place: Mumbai

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INDEPENDENT AUDITOR'S REPORT

To the Members of West Coast Paper Mills Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **West Coast Paper Mills Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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" or "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 March 31, 2023, its profit including other comprehensive income, 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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 for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| <p>1. Revenue Recognition (Refer Note 1 (III) (h) and 28 to the Standalone financial Statements)</p> <p>Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer.</p> <p>We focussed on this area as a key audit matter as the value is significant and inherent risk exists of revenue being recognized before the control is transferred, including risk of incorrect timing of estimation related to recording the discounts and rebates.</p> | <p>As part of our audit procedures, we:</p> <ul style="list-style-type: none"> ➤ Read the Company's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115. ➤ Evaluated the design, tested the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue. ➤ On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts and shipping documents. |

Independent Auditor's Report *(Contd.)*

| | |
|--|--|
| | <ul style="list-style-type: none"> ➤ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents. ➤ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115. |
| <p>2. Provisions and contingent liabilities related to taxation, litigation and claims (Refer Note 39 to the Standalone financial statements)</p> | |
| <p>The Company has ongoing litigations with various regulatory and tax authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its reliable estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.</p> <p>Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter</p> | <p>As part of our audit procedures, we:</p> <ul style="list-style-type: none"> ✓ Obtained an understanding of management's process to identify new obligations and changes in existing obligations for compliance with Ind AS 12 – Income taxes and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets. ✓ analysed significant changes in material provisions from prior periods and obtained a detailed understanding of these changes and assumptions applied. ✓ Our audit procedures related to material provisions recognised and contingent liabilities disclosed in the standalone financial statements included: <ul style="list-style-type: none"> ● Assessment of the recognition criteria for the liability; ● Evaluation of the methodology adopted by management for the measurement of the liability; ● Assessment of the other key measurement assumptions and inputs. ● We have obtained opinions and confirmations from internal /external experts and legal counsel, where necessary, which we have relied upon. ✓ We reviewed the minutes of the Board meetings including other committees to evaluate the process and controls over obligations operated by management. ✓ Testing of the mathematical accuracy of the measurement calculation. ✓ We assessed the appropriateness of the presentation of the most significant contingent liabilities in the financial statements. |

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

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 financial statements or our knowledge obtained in the 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. When we read the Annual Report, if we conclude that there is a

Independent Auditor's Report *(Contd.)*

material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the Standalone Financial Statements

The Company's management and 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 income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 statements 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 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 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 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.

Independent Auditor's Report *(Contd.)*

- 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 for the financial year ended March 31, 2023 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 the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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.
 - (b) 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - (g) With respect to the matter to be included in the Auditors Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.



Independent Auditor's Report *(Contd.)*

- (h) 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements.
 - ii. The Company has accounted for material foreseeable losses, if any, for 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 Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and
 - c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
 - v. Dividend declared or paid during the year by the Company are in compliance with Section 123 of the Act.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **Singhi & Co.,**
Chartered Accountants
Firm Registration no: 302049E

Sudesh Choraria
Partner

Membership no: 204936
UDIN: 23204936BGYISA7495

Date: May 19,2023
Place: Mumbai

Annexure – A

to the Independent Auditor's Report

(Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of WEST COAST PAPER MILLS LIMITED on the Standalone financial Statements as of and for the year ended March 31, 2023)

We report that:

- i. In respect of its Property Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) As explained to us, the property, plant and equipment have been physically verified by management and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination, title deeds of the immovable property (other than cases where the Company is the lessee and the lease agreements are duly executed in favour of the lessee as stated below) as disclosed in schedule of Property, Plant and Equipment to the financial statements, are held in the name of the Company.

| Asset Category | Gross Block (₹ Lakhs) | Net Block (₹ Lakhs) | Remarks |
|----------------|--------------------------|------------------------|---|
| Leasehold Land | 162.00 | 162.00 | 289.68 acres of leasehold land for which Government approval for renewal for next 30 years received but lease agreement is yet to be executed; and 109.10 acres of other leasehold land of which lease agreement is expired and pending to be renewed and registered with the government. |

- d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- ii. In respect of its Inventories:
 - a) As per information and explanations provided to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, work in progress, finished goods and by products and no material discrepancies were noticed on such physical verification.
 - b) Based on our examination of the books of accounts of the Company, with respect to the sanctioned working capital limits availed from banks or financial institutions, the Quarterly return / statements have been regularly submitted by the company and no material discrepancies were noticed.
- iii. a) According to the information and explanations provided to us, the Company has made investments in, provided guarantee or security or granted loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year as per details given below:

| Particulars | Loans Advanced (₹ In Lakhs) |
|---|-----------------------------|
| Aggregate amount granted/ provided during the year: | |
| - Subsidiaries | |
| - Others | 4451 |
| Balance outstanding as at balance sheet date in respect of above cases : | |
| - Subsidiaries | 240 |
| - Others | 2001 |

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Annexure – A

to the Independent Auditor's Report (Contd.)

- b) The investments made, the securities granted and the terms and conditions of the grant of loans are, in our opinion, prima facie, not prejudicial to the company's interest.
- c) As per the information and explanation provided to us, with respect to the Inter corporate deposits made with other parties, the schedule of repayment of principal and payment of interest thereon are stipulated and the repayments are regular.
- d) As per the information and explanation provided to us, there was no overdue loan amount remaining outstanding as at the year-end.
- e) According to the information and explanations given to us, no amount of loan or advances has been renewed or extended or fresh loan granted to settle the overdue of existing loan given to the same parties.
- f) The Company has not granted any loans during the year which are repayable on demand. Therefore, the provisions of clause 3(iii)(f) of the Order are not applicable to the Company
- iv. In our opinion and according to the information and explanations given to us and records examined by us, Company has not given any loan, made investments or given Guarantee and Securities to the parties covered under Section 185 / 186, accordingly the clause is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products for which maintenance of prescribed cost records is mandated by Government of India U/S 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
 - a) According to the records of the Company examined by us, the Company has been generally regular in depositing amounts deducted/acrued in the books of accounts in respect of undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable. There was no material undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.
 - b) There are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

| Name of the Statute | Nature of the Dispute | Amount in dispute (₹ Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|-----------------------|--|------------------------------------|---|
| Income Tax Act 1961 | Income Tax | ₹ 2794.22 Lakhs (net of refunds adjusted and payments of 657 Lakhs) | Asst. year 1999-2000 to 2016-17 | Commissioner (Appeals) / ITAT/ High Court |
| Central Excise Act 1944 | Excise Duty | ₹ 87.71 Lakhs | 2007-08 to 2014-15 | CESTAT |
| Custom Act 1962 | Customs Duty | ₹ 540.27 Lakhs (Net of recoveries done by department ₹ 21.48 Lakhs) | 2012-13 & 2013-14 | Supreme Court / CESTAT |
| Karnataka Tax on Entry of Goods Act, 1979 | Special Entry Tax | ₹ 112.99 Lakhs | 2004-05 & 2005-06 | High Court of Karnataka |

Annexure – A

to the Independent Auditor's Report (Contd.)

| Name of the Statute | Nature of the Dispute | Amount in dispute (₹ Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|--|----------------------------|-----------------------------|------------------------------------|---------------------------------|
| The Water (Prevention and Control of Pollution) Cess Act, 1977 | Water Cess | ₹ 30.14 Lakhs | 2002-03 to 2004-05 | Water Cess Appellate Authority |
| Karnataka Forest (Amendment) Act, 2016 | Forest Development Fees | ₹ 1,016.86 Lakhs | 2017-18 to 2020-21 | Supreme Court |
| Goa Rural Improvement and Welfare Cess Act 2000 | Goa Rural Improvement Cess | ₹ 262.65 Lakhs | 2014-15 to 2018-19 | High Court of Mumbai, Goa Bench |
| Karnataka Municipalities Act, 1964 | Property Tax | ₹ 82.78 Lakhs | 2002-03 to 2013-14 | JMFC, Dandeli |
| CGST/KGST Act. 2017 | GST | ₹ 460.83 Lakhs | 2017-18 | High Court of Karnataka |

viii. According to the information and explanation given to us, there were no transactions which have not been recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

- ix. a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or debenture holders
- b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has availed loans from banks and financial institutions. The amount of loan was applied for the purpose for which the loan was obtained. Further the Company has not availed any loans from Government or has not issued any debenture during the year.
- d) Based on the information and explanation given to us, and the books of account examined by us, short term funds raised during the year have not been utilized for long term purposes.
- e) Based on the information and explanation given to us, and the books of account examined by us, during the year, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Thus, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- xi. a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any

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Annexure – A

to the Independent Auditor's Report *(Contd.)*

- instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b) We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act, 2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As reported to us by the management, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- xiv. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business; We have considered internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.
- b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company;
- c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company;
- d) According to the representations given by the management, the Group does not have any CIC. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company;
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Annexure – A

to the Independent Auditor's Report (Contd.)

xx. In respect of Corporate Social Responsibility Expenditure:

- a) According to the information and explanations given to us and based on our examination of the records of the Company, in respect of CSR Expenditure other than ongoing CSR projects, there were no amount remaining unspent u/s 135 (5) of the Companies Act, Hence no amount was required to be transferred to a Fund specified in Schedule VII to the Companies Act.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, there were certain amount remaining unspent u/s 135 (5) of the Companies Act pursuant to an ongoing CSR project, which has been transferred by the Company to the special account in compliance with the provision of sub section (6) of section 135 of the said Act.

For **Singhi & Co.,**
Chartered Accountants
Firm Registration no: 302049E

Sudesh Choraria
Partner

Membership no: 204936
UDIN: 23204936BGYISA7495

Date: May 19,2023
Place: Mumbai

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Annexure – B

to the Independent Auditor's Report

(Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members of WEST COAST PAPER MILLS LIMITED on the Standalone financial Statements as of and for the year ended March 31, 2023)

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

1. We have audited the internal financial controls over financial reporting of West Coast Paper Mills Limited ('the Company') as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 ('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 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.
4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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

Annexure – B

to the Independent Auditor's Report *(Contd.)*

of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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

7. 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

8. In our opinion, 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 March 31, 2023, 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.

Date: May 19, 2023

Place: Mumbai

For **Singhi & Co.,**
Chartered Accountants
Firm Registration no: 302049E

Sudesh Choraria
Partner

Membership no: 204936
UDIN: 23204936BGYISA7495

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Standalone Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

| | Note | As at | |
|---|------|--------------------|--------------------|
| | | March 31, 2023 | March 31, 2022 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 2 | 64,264.35 | 72,307.86 |
| Capital Work-in-Progress | 3 | 2,389.74 | 1,407.80 |
| Right of use assets | 2 | 2,058.99 | 2,374.24 |
| Intangible Assets | 4 | 48.25 | 63.71 |
| Intangible assets under development | 5 | 144.76 | |
| Biological Assets other than bearer plants | 6 | 733.43 | 674.34 |
| Financial Assets: | | | |
| i. Investment in Subsidiaries and Associates | 7 | 91,209.48 | 91,161.93 |
| ii. Other Investments | 7 | 9,658.29 | 70.31 |
| iii. Loans | 8 | 1,000.00 | - |
| iv. Other Financial Assets | 9 | 622.40 | 236.29 |
| Current Tax Assets (Net) | 10 | 1,652.85 | 574.08 |
| Deferred Tax Assets (Net) | 11 | 1,049.04 | 8,413.94 |
| Other Non-Current Assets | 12 | 1,182.09 | 483.32 |
| Total Non-Current Assets | | 1,76,013.67 | 1,77,767.82 |
| Current Assets | | | |
| Inventories | 13 | 31,114.54 | 24,628.65 |
| Financial Assets : | | | |
| i. Investments | 7 | 32,672.27 | 8,854.22 |
| ii. Trade Receivables | 14 | 18,517.13 | 13,357.89 |
| iii. Cash and Cash Equivalents | 15 | 1,459.33 | 135.29 |
| iv. Other Bank Balances | 16 | 1,261.20 | 370.71 |
| v. Loans | 8 | 1,289.05 | 603.23 |
| vi. Other Financial Assets | 9 | 624.70 | 612.90 |
| Other Current Assets | 17 | 4,765.17 | 6,904.49 |
| Total Current Assets | | 91,703.39 | 55,467.38 |
| Total Assets | | 2,67,717.06 | 2,33,235.20 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 18 | 1,320.98 | 1,320.98 |
| Other Equity | 19 | 2,03,730.35 | 1,49,432.14 |
| Total Equity | | 2,05,051.33 | 1,50,753.12 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities : | | | |
| i. Borrowings | 20 | 6,428.68 | 22,510.69 |
| ii. Lease liabilities | 21 | 1,694.74 | 1,985.35 |
| iii. Other Financial Liabilities | 22 | 4,726.71 | 5,726.32 |
| Other Non-Current Liabilities | 23 | 8,380.16 | 7,974.55 |
| Provisions | 27 | 1,020.83 | 616.42 |
| Total Non-Current Liabilities | | 22,251.12 | 38,813.33 |
| Current Liabilities | | | |
| Financial Liabilities : | | | |
| i. Borrowings | 24 | 8,903.06 | 16,646.07 |
| ii. Lease liabilities | 21 | 370.42 | 329.58 |
| iii. Trade Payables | | | |
| a) Total outstanding dues of micro and small enterprises | 25 | 1,411.54 | 1,116.80 |
| b) Total outstanding dues of creditors other than micro and small enterprises | 25 | 9,055.72 | 9,806.66 |
| iv. Other Financial Liabilities | 22 | 13,717.56 | 9,408.29 |
| Other Current Liabilities | 26 | 6,190.13 | 5,019.07 |
| Provisions | 27 | 766.18 | 1,342.28 |
| Total Current Liabilities | | 40,414.61 | 43,668.75 |
| Total Equity and Liabilities | | 2,67,717.06 | 2,33,235.20 |
| Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date

For and on behalf of the Board

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
M.No. 204936

Place: Dandeli
Date: May 19, 2023

S. K. Bangur
Chairman & Managing Director

Virendraa Bangur
Joint Managing Director

Rajendra Jain
Executive Director & CFO

Brajmohan Prasad
Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

| | Note | For the year ended | |
|--|------|--------------------|--------------------|
| | | March 31, 2023 | March 31, 2022 |
| REVENUE | | | |
| Revenue from Operations | 28 | 2,80,234.13 | 1,97,948.38 |
| Revenue from Trading Operations | 29 | 799.07 | 571.86 |
| Other Income | 30 | 4,565.16 | 2,995.78 |
| Total Income | | 2,85,598.36 | 2,01,516.02 |
| EXPENSES | | | |
| Cost of Materials Consumed | 31 | 1,22,146.25 | 98,849.96 |
| Purchases of Stock in Trade | 32 | 731.35 | 549.63 |
| Changes in Inventories of Finished Goods & Work in Progress | 33 | (2,891.54) | 2,389.85 |
| Employee Benefits Expense | 34 | 19,955.08 | 18,244.03 |
| Finance Costs | 35 | 2,934.21 | 5,279.08 |
| Depreciation and Amortization Expense | 36 | 11,935.56 | 13,832.79 |
| Other Expenses | 37 | 50,851.29 | 37,927.12 |
| Total Expenses | | 2,05,662.20 | 1,77,072.46 |
| Profit / (Loss) Before Exceptional Items and Tax | | 79,936.16 | 24,443.56 |
| Exceptional Items | | - | - |
| Profit / (Loss) Before Tax | | 79,936.16 | 24,443.56 |
| Income Tax Expense | 38 | | |
| Current Tax | | 22,692.53 | 4,495.45 |
| MAT Credit (Entitlement) / Reversal | | (18.54) | - |
| Deferred Tax | | (1,450.29) | (1,860.76) |
| Total Tax Expenses | | 21,223.70 | 2,634.69 |
| Profit / (Loss) for the period from Continuing Operations | | 58,712.46 | 21,808.87 |
| Other Comprehensive Income / (Loss) | 19 | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Remeasurement of employees benefit obligations | | (352.06) | (367.78) |
| Remeasurement of equity instruments | | (252.52) | |
| Income Tax relating to Items that will not be reclassified to Profit or Loss | | 153.22 | 128.52 |
| Other Comprehensive Income/(Loss) for the period (net of tax) | | (451.36) | (239.26) |
| Total Comprehensive Income / (Loss) | | 58,261.11 | 21,569.61 |
| Earnings per share (Basic/ Diluted) (in ₹) | | 88.89 | 33.02 |
| Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
M.No. 204936

Place: Dandeli
Date: May 19, 2023

For and on behalf of the Board

S. K. Bangur
Chairman & Managing Director

Virendraa Bangur
Joint Managing Director

Rajendra Jain
Executive Director & CFO

Brajmohan Prasad
Company Secretary

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Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts of ₹ In Lakhs except share data and unless otherwise stated)

A. EQUITY SHARE CAPITAL

| Particulars | Balance at the beginning of the reporting year | | Changes in equity share capital during the year * | | Balance at the end of the reporting year | |
|--|--|-----------------|---|-----------------|--|-----------------|
| | No. of Shares | Amount in Lakhs | No. of Shares | Amount in Lakhs | No. of Shares | Amount in Lakhs |
| For the year ended March 31, 2022 | 6,60,48,908 | 1,320.98 | - | - | 6,60,48,908 | 1,320.98 |
| For the year ended March 31, 2023 | 6,60,48,908 | 1,320.98 | - | - | 6,60,48,908 | 1,320.98 |

*There were no changes in Equity Share Capital due to prior period errors.

B. OTHER EQUITY

| Particulars | Reserves & Surplus | | | | | | Other Comprehensive Income | Total |
|---|--------------------------|--------------------|----------------------------|--------------------------------|------------------|---|--------------------------------|--------------------|
| | Security Premium Account | Retained Earnings | Capital Redemption Reserve | Equity Share warrant forfeited | General Reserve | Remeasurement of net defined benefit plan | Equity instruments through OCI | |
| Balance as on April 01, 2021 | 14,572.54 | 71,532.51 | 6,500.00 | 277.50 | 36,934.35 | (1,293.88) | - | 1,28,523.02 |
| Profit for the year | - | 21,808.87 | - | - | - | - | - | 21,808.87 |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | - | - | - | (239.26) | - | (239.26) |
| Dividends paid | - | (660.49) | - | - | - | - | - | (660.49) |
| Balance as on March 31, 2022 | 14,572.54 | 92,680.88 | 6,500.00 | 277.50 | 36,934.35 | (1,533.14) | - | 1,49,432.14 |
| Balance as on April 01, 2022 | 14,572.54 | 92,680.88 | 6,500.00 | 277.50 | 36,934.35 | (1,533.14) | - | 1,49,432.14 |
| Profit for the year | - | 58,712.47 | - | - | - | - | - | 58,712.47 |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | - | - | - | (229.03) | - | (229.03) |
| Remeasurement of equity instruments (net of tax) | - | - | - | - | - | - | (222.32) | (222.32) |
| Dividends paid | - | (3,962.93) | - | - | - | - | - | (3,962.93) |
| Balance as on March 31, 2023 | 14,572.54 | 1,47,430.42 | 6,500.00 | 277.50 | 36,934.35 | (1,762.18) | (222.32) | 2,03,730.35 |

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria

Partner

M.No. 204936

Place: Dandeli

Date: May 19, 2023

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Virendraa Bangur

Joint Managing Director

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary

Standalone Cash Flow Statement

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended | |
|---|--------------------|------------------|
| | March 31, 2023 | March 31, 2022 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before Income Tax | 79,936.16 | 24,443.56 |
| Adjustments for: | | |
| Depreciation and amortisation | 11,935.56 | 13,832.79 |
| Loss / (Gain) on sale/discard of Property, plant and equipment | 106.95 | (0.41) |
| Loss or (Gain) on Sale / Re-investment of Investments | (399.70) | (72.18) |
| Dividend and interest income classified as investing cash flows | (3,195.69) | (1,770.85) |
| Rent receipt | (49.60) | (54.68) |
| Finance costs | 2,892.64 | 5,669.86 |
| Government grant income | (520.65) | (520.65) |
| Provision for doubtful debts | 39.91 | - |
| Net exchange differences | 41.57 | (390.79) |
| Fair value adjustment in Investment | 5.26 | (17.30) |
| Liabilities & provisions written back | (38.60) | (228.09) |
| Total | 10,817.65 | 16,447.70 |
| Operating profit before working capital changes | 90,753.81 | 40,891.26 |
| Adjustments for : | | |
| (Increase) / decrease in trade receivables | (5,199.15) | (737.23) |
| (Increase) / decrease in inventories | (6,545.00) | (526.84) |
| (Increase) / decrease in other financial assets | 344.62 | (449.89) |
| (Increase) / decrease in other non-current assets | (1,698.77) | (356.49) |
| (Increase) / decrease in other current assets | 2,139.33 | (1,194.17) |
| Increase / (decrease) in trade liabilities | (417.60) | 3,949.76 |
| Increase / (decrease) in provisions | (171.66) | 818.08 |
| Increase / (decrease) in other financial liabilities | 3,830.34 | 1,447.36 |
| Increase / (decrease) in current liabilities | 1,224.63 | (1,497.00) |
| Total | (6,493.26) | 1,453.58 |
| Cash generated from operations | 84,260.55 | 42,344.84 |
| Less: Income Tax paid | (14,784.35) | (4,142.58) |
| Net cash inflow / (outflow) from operating activities | 69,476.20 | 38,202.26 |

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**Standalone Cash Flow Statement** (Contd.)

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended | |
|--|--------------------|--------------------|
| | March 31, 2023 | March 31, 2022 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (4,631.04) | (2,203.41) |
| Purchase of intangible assets | (146.58) | (4.82) |
| Investment in subsidiary | (47.56) | - |
| Proceeds from sale of property, plant and equipment | 69.71 | 24.97 |
| Rent received | 49.60 | 54.68 |
| Interest received | 641.85 | 313.31 |
| Dividend income received | 2,174.78 | 1,435.81 |
| Bank deposits | (1,249.78) | (116.85) |
| Loan to subsidiary | 211.00 | 612.00 |
| Inter corporate deposits given | (5,351.00) | (3,600.00) |
| Inter corporate deposits matured | 4,450.00 | 3,500.00 |
| Purchase of Non-Current Investments | (9,845.76) | |
| Purchase of Current Investments | (1,28,738.60) | (30,219.30) |
| Proceeds from sale of current Investments | 1,05,320.24 | 21,437.26 |
| Net Cash inflow / outflow from Investing Activities | (37,093.14) | (8,766.35) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | - | 10,000.00 |
| Repayments of Long Term Borrowings | (21,052.02) | (31,243.91) |
| Proceeds / (Repayment) of Short Term Borrowings (Net) | (3,027.25) | (2,029.94) |
| Interest and Finance charges | (2,482.82) | (5,451.04) |
| Dividends paid to company's shareholders (including interim) | (3,962.93) | (660.49) |
| Repayment of Lease liability | (534.03) | (470.24) |
| Net cash inflow/ (outflow) from Financing Activities | (31,059.05) | (29,855.62) |
| Net increase / (decrease) in Cash and Cash Equivalents | 1,324.04 | (419.72) |
| Net increase or (decrease) in Cash and Cash Equivalents during the year | 1,324.04 | (419.72) |
| Cash and Cash Equivalents at the beginning of the financial year | 135.29 | 555.01 |
| Cash and Cash Equivalents at the end of the financial year | 1,459.33 | 135.29 |
| Reconciliation of Financial Liabilities - Borrowings | 2022-23 | 2021-22 |
| Opening balance | 40,844.28 | 65,029.57 |
| Add: Proceeds of borrowings | - | 10,000.00 |
| Less: (Repayment) of borrowings | (21,052.02) | (31,243.91) |
| Less: Proceeds / (Repayments) of borrowings (short term) (net) | (3,027.25) | (2,029.94) |
| Add / (Less) Non-cash movement | (266.44) | (911.44) |
| | 16,498.57 | 40,844.28 |

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E**Sudesh Choraria**
Partner
M.No. 204936Place: Dandeli
Date: May 19, 2023

For and on behalf of the Board

S. K. Bangur
Chairman & Managing Director**Virendraa Bangur**
Joint Managing Director**Rajendra Jain**
Executive Director & CFO**Brajmohan Prasad**
Company Secretary

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023

Note 1 – Company Overview, Basis of Preparation and Significant Accounting Policies

I. The Company Overview:

West Coast Paper Mills Limited, a Public Limited Company listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The registered office of the Company is situated at Bangur Nagar, Dandeli 581325 District Uttara Kannada, Karnataka. The Company was established in 1955. The Company has two business activities: Paper & Paper Board at Dandeli and Optical Fibre Cable at Mysore. The Company's Dandeli Plant is integrated Pulp & Paper Plant and produce various type of quality Paper & Paper Board. This caters to needs of innumerable industries in printing, writing, publishing, stationary, notebooks and packaging sectors in India. The Company strongly believes on Continuous Improvement in product quality, reduction in cost, and Environment Management. The Company is ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) and ISO 45001:2018 (OHSMS) Certified. The Company's Mysore Plant produces Optical Fibre Cable which cater requirement of telecom sector of India.

II. Basis of Preparation of Financial Statements:

a) Statement of Compliance:

The Financial Statements of the Company, are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under section 133 of the Companies Act, 2013 and the relevant provisions thereof.

b) Basis of Preparation:

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Company has prepared these Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013.

c) Functional and Presentation Currency:

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

d) Use of Estimates:

The preparation of the Financial Statements in conformity with the Ind AS requires Management to make estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities, disclosure of contingent liabilities as on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

e) Classification of Assets and Liabilities as Current and Non-Current:

All Assets and Liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities. Deferred tax assets and liabilities are classified as Non-current assets and liabilities.

III. Significant Accounting Policies:

a) Property, Plant and Equipments (PPE):

PPE are stated at cost of acquisition (net of Tax / Duty credit availed) or construction less accumulated depreciation and impairment loss, if any. Cost includes any directly attributable cost of bringing each asset to its working condition for intended use.

Assets under installation or under construction as at Balance Sheet date are shown as Capital work in progress together with project expenses.



Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised.

Decommissioning Liability:

Cost of PPE also includes the estimate of the costs of dismantling and removing the item and restoring the land back on vacant conditions at the end of lease period. The Company has estimated such costs being the present value of future liability for decommissioning. Such costs are capitalized and a provision of the equivalent amount has been created. The provision is periodically increased by adding the interest cost at the IRR determined by the Company.

Disposal of Assets:

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated depreciation & impairment loss, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

b) Depreciation & Amortization:

The Company depreciates PPE over their estimated useful lives as per the provisions of the Schedule II of the Companies Act, 2013. The estimated useful lives of PPE are as follows:

| Sr. No. | Particulars | Useful Life | Method |
|---------|--|-------------|--------|
| 1. | Factory Buildings | 30 | WDV |
| 2. | Non Factory Buildings | 60 | WDV |
| 3. | Plant, Machinery & Equipments* | 05-20 | WDV |
| 4. | Furniture, Fixtures and office equipments* | 05-10 | WDV |
| 5. | Motor Vehicles | 08-10 | WDV |
| 6. | Computers & other IT Assets | 03 | WDV |
| 7. | Roads & Drainage* | 20 | WDV |
| 8. | Intangible Assets* | 03 | WDV |

*Based on technical evaluation, the Management believes that the useful lives as given above best represents the period over which Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

In respect of incremental cost arising on account of realized / notional gain / loss on foreign currency liability for acquisition of fixed assets, depreciation is provided over the remaining residual life of the respective assets.

Assets individually costing ₹ 5,000 and below are fully depreciated in the period of acquisition in the year of acquisition.

Right to use assets (Lease Hold Land) is amortised on straight line method over the period of lease.

Depreciation methods, useful lives and residual values are reviewed at least at the end of each financial year.

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

c) Investment Properties:

Investment properties held to earn rentals or for capital appreciation or both are stated in the Balance Sheet at cost, less accumulated depreciation and subsequent impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss. Transfer to, or from, investment property is done at the carrying amount of the property.

d) Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on internal / external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. The impairment loss recognized in the prior accounting years is reversed if there has been a change in the estimate of recoverable amount.

e) Assets held for Sale:

The Company recognize Assets for Sale of those assets which are not in use and identified for sale / disposal. The same is valued at net carrying amount or realizable value whichever is lower.

f) Investments:

Investment in subsidiary & associates

The investments are classified as Non-current Investment and the same is accounted at Cost.

Other Investments

Current investments are carried at the lower of cost or quoted/ fair value, computed category-wise..

g) Valuation of Inventories:

Inventories of raw materials, stores, spares, machinery parts, building materials, loose tools etc. are valued at weighted average cost, after providing for obsolescence, if any.

Work in process is valued at cost.

Finished goods & Stock-in-trade are valued at lower of cost or net realizable value.

The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion costs necessary to make the sale.

Stock of scrap is valued at realizable value.

Biological assets other than bearer plants which are matured and have market value are valued at fair value
Biological Assets which are immature are valued at cost.

h) Revenue Recognition:

Revenue is recognized on transfer of significant risks and rewards of ownership to the buyer and are adjusted for discounts (net), Taxes and foreign exchange differences. Turnover is net of Goods & Service Tax collected on behalf of the Government.

Revenue from contracts with customers is recognised in accordance with Ind AS 115, when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.



Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Export Incentive Scheme Benefits are recognized on accrual basis.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Dividend income from investments purchased is recognised when the shareholder's right to receive payment has been established

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases

Insurance and other claims, to the extent considered recoverable, are accounted for in the year of claim.

i) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash on hand, Cash at Bank and demand deposits with banks which are subject to an insignificant risk of change in value.

j) Research and Development Expenditure:

Revenue expenditure on research & development is charged to Profit & Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is Incurred.

k) Employee Benefits:

Contribution to Provident Fund is accounted for on accrual basis. The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust is not lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous' Provisions Act, 1952 and shortfall, if any, is made good by the Company. Such shortfall on account of interest, if any, is recognized in the Statement of Profit and Loss.

Company's defined contributions made to Pension Fund of Government and Superannuation Scheme of Life Insurance Corporation of India are charged to the Statement of Profit and Loss on accrual basis.

Contribution to Gratuity Fund and provision for Leave Encashment is based on actuarial valuation carried out as on the Balance Sheet date as per Projected Unit Credit Method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains or losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income.

l) Earnings Per Share(EPS):

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

m) Foreign Currency Transactions:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions.

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the Statement of Profit & Loss.

Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition or construction of fixed assets, in which case they are adjusted to the carrying cost of such assets in accordance with the exemption under Para D13AA of Ind AS 101.

n) Financial Instruments:

Financial Assets :

Financial assets are classified as equity instrument if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are debt.

All Financial Assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Trade Receivables:

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised at transaction value and subsequently measured at transaction value less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Financial assets at Fair Value through Profit and Loss (FVTPL):

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Derecognition of Financial Assets:

The Company derecognises a financial asset on trade date only when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises



Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial Liability:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial Liabilities are subsequently carried at amortized cost using the effective interest method, except for loans where the difference between IRR and normal rate of interest was immaterial.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for employee share-based payment, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

Derivative Financial Instruments:

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Trade and Other Payables:

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Other Financial Liabilities:

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

o) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account.

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

p) Taxation:

Provision for Taxation is determined on the basis of the Taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from "temporary difference" between the carrying amount of an asset or liability in the balance sheet and its tax base book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be adjusted in future.

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

q) Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

r) Government Grants:

Incentive received from the Government under sales tax deferral scheme, which is interest free in nature is determined based on fair value. Fair value is determined on the present value technique based on cash flow payable under the scheme & the same is amortized over the remaining period of sales tax deferral loan.

s) Leases:

On April 1, 2019, the Company adopted Ind AS 116, Leases. Accordingly, the policy for Leases as presented in the Company's Annual Report is amended as under:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 Leases. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics



Notes to Standalone Financial Statements

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The Company as lessee:

At the inception of the contract, the Company assesses whether a contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For the purpose of identifying if a contract contains a lease, the Company assesses whether:

- (i) The contract involves the use of an identified asset.
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease, and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except in case of low value leases and short term leases (a term of less than twelve months) wherein the lease payments are recognized as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The right-of-use assets are initially recognized at cost. Cost includes the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the useful life of the underlying asset or the lease term whichever is shorter. Right of use assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

t) Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- i. **Ind AS 1 – Material accounting policies** - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).
- ii. **Ind AS 8 – Definition of accounting estimates** - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'.
- iii. **Ind AS 12 – Income taxes – Annual Improvements to Ind AS** - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 *(Contd.)*

liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1st April, 2023.

u) Significant accounting judgements, estimates and assumptions

- The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.
- The estimates and judgements involves a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Estimated useful life of PPE & intangible assets
- Estimation of defined benefit obligation
- Recognition of revenue
- Recognition of deferred tax assets for carried forward tax losses
- Impairment of trade receivables and other financial assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

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(₹ in Lakhs)

Note 2 PROPERTY, PLANT AND EQUIPMENT

| Sr. no. | Particulars | Property Plant and Equipment | | | | | Right of use assets | | | | | Grand Total |
|---------|--|------------------------------|------------------|---------------------|--------------------------|-----------------|------------------------------------|---------------------------------|-----------------|---------------------|---------------------------|--------------------|
| | | Freehold Land | Buildings | Plant and Machinery | Furniture's and fixtures | Other Assets | Total Property Plant and Equipment | Lease hold land (Finance Lease) | Lease hold land | Lease hold Premises | Total Right of use assets | |
| | Gross carrying value as at April 01, 2021 | 61.61 | 24,132.80 | 2,26,206.63 | 681.75 | 1,564.74 | 2,52,647.53 | 162.04 | 56.91 | - | 218.95 | 2,52,866.48 |
| 1 | Additions | - | 501.38 | 2,671.65 | 34.01 | 57.56 | 3,264.60 | - | - | 2,512.77 | 2,512.77 | 5,777.37 |
| 2 | Deletions / Adjustments | - | (4.47) | (284.84) | (7.71) | (67.10) | (364.12) | - | - | - | - | (364.12) |
| | Gross carrying value as at March 31, 2022 | 61.61 | 24,629.71 | 2,28,593.44 | 708.05 | 1,555.20 | 2,55,548.01 | 162.04 | 56.91 | 2,512.77 | 2,731.72 | 2,58,279.73 |
| | Accumulated Depreciation as at April 01, 2021 | - | 15,299.75 | 1,52,964.44 | 487.49 | 1,390.51 | 1,70,142.19 | - | 4.18 | - | 4.18 | 1,70,146.38 |
| 1 | Depreciation | - | 939.27 | 12,359.25 | 54.81 | 83.34 | 13,436.67 | - | - | 353.30 | 353.30 | 13,789.97 |
| 2 | Eliminated on disposal of asset / Adjustments | - | (17.59) | (256.41) | (7.71) | (57.00) | (338.71) | - | - | - | - | (338.71) |
| | Accumulated Depreciation as at March 31, 2022 | - | 16,221.43 | 1,65,067.28 | 534.59 | 1,416.85 | 1,83,240.15 | - | 4.18 | 353.30 | 357.48 | 1,83,597.63 |
| | Net carrying value as at March 31, 2022 | 61.61 | 8,408.28 | 63,526.16 | 173.46 | 138.35 | 72,307.86 | 162.04 | 52.73 | 2,159.47 | 2,374.24 | 74,682.10 |
| | Gross carrying value as at April 01, 2022 | 61.61 | 24,629.71 | 2,28,593.44 | 708.05 | 1,555.20 | 2,55,548.01 | 162.04 | 56.91 | 2,512.77 | 2,731.72 | 2,58,279.73 |
| 1 | Additions | - | 343.66 | 3,002.09 | 86.09 | 217.27 | 3,649.10 | - | - | 87.12 | 87.12 | 3,736.22 |
| 2 | Deletions / Adjustments | - | - | (1,579.16) | - | (32.02) | (1,611.18) | - | - | - | - | (1,611.18) |
| | Gross carrying value as at March 31, 2023 | 61.61 | 24,973.37 | 2,30,016.37 | 794.14 | 1,740.45 | 2,57,585.93 | 162.04 | 56.91 | 2,599.89 | 2,818.84 | 2,60,404.77 |
| | Accumulated Depreciation as at April 01, 2022 | - | 16,221.43 | 1,65,067.28 | 534.59 | 1,416.85 | 1,83,240.15 | - | 4.18 | 353.30 | 357.48 | 1,83,597.63 |
| 1 | Depreciation | - | 863.30 | 10,509.92 | 53.20 | 89.49 | 11,515.91 | - | 2.09 | 400.27 | 402.36 | 11,918.28 |
| 2 | Eliminated on disposal of asset / Adjustments | - | - | (1,404.37) | - | (30.15) | (1,434.52) | - | - | - | - | (1,434.52) |
| | Accumulated Depreciation as at March 31, 2023 | - | 17,084.74 | 1,74,172.84 | 587.80 | 1,476.19 | 1,93,321.58 | - | 6.27 | 753.57 | 759.85 | 1,94,081.43 |
| | Net carrying value as at March 31, 2023 | 61.61 | 7,888.63 | 55,843.53 | 206.34 | 264.25 | 64,264.35 | 162.04 | 50.64 | 1,846.32 | 2,058.99 | 66,323.34 |

1. Lease hold land represents the amount paid to Karnataka Industrial Area Development Board (KIADB), Bangalore against allotment of land at Kesaroli Village Haliyal on Lease cum sale basis.

| | As at | |
|--|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 3 CAPITAL WORK-IN-PROGRESS | | |
| Opening Balance | 1,407.80 | 2,469.01 |
| Add: Additions during the year | 4,631.69 | 2,202.66 |
| | 6,039.49 | 4,671.67 |
| Less: Capitalised during the year | 3,649.75 | 3,263.87 |
| Closing Balance | 2,389.74 | 1,407.80 |

Capital work in progress ageing schedule

| Sl. No. | Particulars | Amount in CWIP for a period of 2022-23 | | | | Total |
|---------|--------------------------------|--|-------------|-------------|-------------------|----------|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| i) | Projects in progress | 1,407.90 | 176.52 | 123.14 | 682.18 | 2,389.74 |
| ii) | Projects temporarily suspended | - | - | - | - | - |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Sl. No. | Particulars | Amount in CWIP for a period of 2021-22 | | | | Total |
|---------|--------------------------------|--|-------------|-------------|-------------------|----------|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| i) | Projects in progress | 274.08 | 136.54 | 41.67 | 955.51 | 1,407.80 |
| ii) | Projects temporarily suspended | - | - | - | - | - |

| | | As at | |
|---------------|--|----------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 4 | INTANGIBLE ASSETS | | |
| | Computer Software | | |
| | Cost | 766.99 | 761.24 |
| | Additions | 1.82 | 4.82 |
| | Deletion/Adjustments | - | 0.93 |
| | Closing gross value | 768.81 | 766.99 |
| | Accumulated amortization | 703.28 | 660.41 |
| | Amortization expense | 17.28 | 42.82 |
| | Deletion/Adjustments | - | 0.05 |
| | Closing accumulated amortization | 720.56 | 703.28 |
| | Net Carrying Value of Intangible Assets | 48.25 | 63.71 |

| | | | |
|---------------|--|---------------|----------|
| Note 5 | INTANGIBLE ASSETS UNDER DEVELOPMENT | | |
| | Computer Software | | |
| | Cost | - | - |
| | Additions | 144.76 | - |
| | Deletion/Adjustments | - | - |
| | Closing gross value | 144.76 | - |

Intangible asset under development ageing schedule

| Particulars | Amount in Intangible assets under development for a period of 2022-23 | | | | |
|----------------------|---|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 144.76 | - | - | - | 144.76 |

| Particulars | Amount in Intangible assets under development for a period of 2021-22 | | | | |
|----------------------|---|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | - | - | - | - | - |

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(₹ in Lakhs)

| | As at | |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 6 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS | | |
| Opening balance | 674.34 | 728.88 |
| Expenses during the year | 59.09 | 27.34 |
| Consumption during the year | - | (81.88) |
| Closing balance | 733.43 | 674.34 |
| Reconciliation | | |
| Non-current assets | | |
| Immature crops [Refer Note no.49] | 733.43 | 674.34 |
| Total non-current assets | 733.43 | 674.34 |
| Current assets | | |
| Matured crops | - | - |
| Total current assets | - | - |
| Total Biological Assets Other Than Bearer Plants | 733.43 | 674.34 |

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|---|----------------------|-------------|------------------|----------------------|------------------|
| | Face Value | Number | Amount | Number | Amount |
| Note 7 INVESTMENTS | | | | | |
| Non-current | | | | | |
| Investment in Subsidiaries | | | | | |
| Unquoted Investments (all fully paid) | | | | | |
| (i) Investment in equity shares of subsidiary at cost | | | | | - |
| - West Coast Opticable Limited | 10 | 19,940 | 1.99 | 19,940 | 1.99 |
| Quoted Investments (all fully paid) | | | | | - |
| (i) Investment in equity shares of subsidiary at cost | | | | | - |
| - Andhra Paper Limited (Formerly known as International Paper APPM Limited)* | 10 | 2,87,28,400 | 91,207.49 | 2,87,13,400 | 91,159.94 |
| Investment in Associates | | | | | |
| Unquoted Investments (all fully paid) | | | | | |
| (ii) Investment in equity shares of associate at cost | | | | | |
| - Speciality Coatings & Lamination Limited* | 10 | 18,50,130 | - | 18,50,130 | - |
| Total Investment in Subsidiaries & Associates | | | 91,209.48 | | 91,161.93 |
| Investment in Others | | | | | |
| Unquoted Investments (all fully paid) - at fair value through Profit or Loss | | | | | |
| -Kilkotagiri and Thirumbadi Plantations Ltd., | 10 | 20,943 | 35.27 | 20,943 | 35.27 |
| -Placid Limited | 100 | 37 | 0.01 | 37 | 0.01 |
| | | | 35.28 | | 35.28 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|---|----------------------|----------|-----------------|----------------------|--------------|
| | Face Value | Number | Amount | Number | Amount |
| Quoted Investments (all fully paid) - at fair value through Profit or Loss | | | | | |
| -Jayshree Chemicals Ltd | 10 | 5,42,399 | 29.67 | 5,42,399 | 34.93 |
| Investments in Equity Instruments at FVTOCI: | | | - | | |
| - Life Insurance Corporation of India Limited | 10 | 66,515 | 355.42 | - | - |
| - Coal India Limited | 10 | 59,994 | 128.18 | - | - |
| - Power Finance Corporation Limited | 10 | 60,000 | 91.05 | - | - |
| - REC Limited | 10 | 1,62,000 | 187.03 | - | - |
| - HDFC Bank Limited | 1 | 3,230 | 51.99 | - | - |
| - ITC Limited | 1 | 26,500 | 101.63 | - | - |
| - NMDC Limited | 1 | 1,01,700 | 113.45 | - | - |
| - State Bank Of India | 1 | 22,000 | 115.23 | - | - |
| | | | 1,143.98 | | - |
| Investments in Government securities (at amortised cost) | | | | | |
| 6 Year National Savings Certificate | | | 0.10 | | 0.10 |
| Investments carried at amortised cost: | | | | | |
| Investments in bonds | | | | | |
| Power Finance Corporation Limited 2024, 8.98% | 10,00,000 | 100 | 1,037.23 | - | - |
| National Bank For Agriculture And Rural Development 2024, 7.69% | 10,00,000 | 100 | 1,055.22 | - | - |
| Rural Electrification Corporation Limited (Series 12 Tranche 3, 9.34% | 10,00,000 | 100 | 1,067.20 | - | - |
| 'Rural Electrification Corporation Limited 25JUN24, '8.10 | 10,00,000 | 50 | 529.21 | - | - |
| 'Rural Electrification Corporation Limited 2024, '8.10% | 10,00,000 | 100 | 1,058.54 | - | - |
| Indian Railway Finance Corporation 2024, '8.20% | 10,00,000 | 100 | 1,038.15 | - | - |
| National Thermal Power Corporation Limited 22SEP24, '9.17% | 10,00,000 | 150 | 1,593.59 | - | - |
| Rural Electrification Corporation Limited BONDS (SERIES 12 TRANCHE 3), '9.34% | 10,00,000 | 100 | 1,070.13 | - | - |
| | | | 8,449.27 | | - |
| Total Investment in Others | | | 9658.29 | | 70.31 |
| Aggregate carrying value of quoted & unquoted non-current investments | | | 1,00,867.78 | | 91,232.24 |
| Investments | | | | | |
| Unquoted investments carried at amortised cost | | | | | |
| Investments in Bonds | | | | | |
| ICICI home finance company limited 2024, 5.85% | 10,00,000 | 100 | 977.71 | - | - |
| National Bank For Agriculture And Rural Development 2024, 5.44% | 10,00,000 | 100 | 977.93 | - | - |
| Power Grid Corporation 2023, 8.85% | 12,50,000 | 16 | 207.21 | - | - |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|--|----------------------|-------------|-----------------|----------------------|-----------------|
| | Face Value | Number | Amount | Number | Amount |
| ICICI Bank Ltd Perpetual Bonds (Series DMR18AT), 9.15% | 10,00,000 | 100 | 1,068.99 | - | - |
| Power Grid Corporation Limited 15/07/2023, 8.70% | 10,00,000 | 100 | 1,063.40 | - | - |
| | | | 4,295.24 | | - |
| Investments in Non-Convertible Debentures | | | | | |
| Tata capital limited, 8.0462% | | | | 100 | 1,028.32 |
| Aseem Infrastructure Limited, 5.41% | | | | 100 | 1,011.87 |
| Cholamandalam Investment and Fin. Co. Ltd, April 2023, 6.26% | 1000000 | 100 | 1,015.13 | | - |
| Aditya Birla Finance Limited 2023, 6.15% | 1000000 | 100 | 992.12 | | |
| Jamnagar Utilities & Power Pvt Ltd 2023, 8.95% | 1000000 | 100 | 1,050.12 | | |
| Aditya Birla Finance Limited 2023, 9.15% | 1000000 | 100 | 1,013.50 | | |
| The Tata power Company Limited 2023, 7.99% | 1000000 | 50 | 499.89 | | |
| Sikka Ports And Terminals Limited, 8.45 % | 1000000 | 100 | 1,040.37 | | |
| Sikka Ports And Terminals Limited, 8.45 % | 1000000 | 100 | 1,043.89 | | |
| Reliance Industries Limited, 8% | 1000000 | 50 | 530.92 | | |
| 9.05% HDFC LTD 20/11/2023 | 1000000 | 100 | 1,026.98 | | |
| | | | 8,212.92 | | 2,040.19 |
| Investments in Commercial papers | | | | | |
| ICICI Securities, 7.75% | | | 981.04 | | |
| Standard Chartered Capital Limited, 8.05% | | | 1,470.49 | | |
| | | | 2,451.53 | | - |
| Unquoted instruments at FVTPL | | | | | |
| Investments in Mutual funds | | | | | |
| ICICI Pru Liquid Fund - Direct Growth | | 75,229 | 250.65 | | |
| Axis Bank Liquid Fund - Direct Growth | | | - | 2,364 | 1,436.65 |
| TATA Liquid Fund - Direct Growth | | 43,018 | 1,527.75 | | - |
| Aditya Birla Liquiq Fund Direct Growth | | | - | 343 | 902.39 |
| ICICI Pru FMP 88 Plan - Direct Growth | | 49,99,750 | 500.89 | | - |
| KOTAK Liquid Fund - Direct Growth | | 0 | 0.00 | | - |
| KOTAK FMP 307 - Direct Growth | | 50,00,405 | 503.56 | | - |
| ABSL Liquid Fund - Direct Growth | | 1,41,120 | 512.38 | | - |
| ABSL Saving Fund - Direct Growth | | 1,07,326 | 504.71 | | - |
| HDFC Nifty G Sec - Direct Growth | | 25,02,932 | 253.64 | | - |
| ICICI Nifty G Sec - Direct Growth | | 95,75,680 | 999.95 | | - |
| TATA Nifty G Sec - Direct Growth | | 98,34,284 | 999.95 | | - |
| Mirae Liquiq Fund Direct Growth | | - | - | 2,247 | 902.32 |
| Mirae FMP Series - V Plan | | 64,99,675 | 656.06 | | - |
| Tata Money Market Fund Direct Growth | | | - | 3,825 | 1,303.17 |
| Tata Ultra Fund Direct Growth | | 40,11,385 | 504.71 | | - |
| DSP Ultra Fund Direct Growth | | 16,134 | 504.59 | | - |
| DSP FMP S270 Fund Direct Growth | | 50,00,378 | 503.99 | | - |
| Tata Crisil IBX Gilt Index Fund Direct Growth | | 2,53,26,023 | 2,629.20 | | - |
| Tata Nifty G Sec Fund Direct Growth | | 49,99,750 | 506.83 | | - |
| Tata Money Market Fund Direct Growth | | 19,839 | 803.11 | | - |
| Axis Money Market Fund Direct Growth | | 66,449 | 809.09 | | - |
| ABSL Crisil IBX Direct Growth | | 33,95,416 | 354.87 | | - |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|--|----------------------|-------------|--------------------|----------------------|--------------------|
| | Face Value | Number | Amount | Number | Amount |
| Abakkus Diversified Alpha Fund | | 20,172 | 200.20 | | - |
| Axis Money Market Fund Direct Growth | | | - | 112946 | 1,300.89 |
| Axis Fixed Term Plan - Series 112 | | 50,00,406 | 505.97 | | - |
| Axis Fixed Term Plan - Series 114 | | 49,99,750 | 500.99 | | - |
| Nippon India Liquid Fund - Direct Plan Growth Plan (LFAGG) | | 15,463 | 851.56 | 20910 | 700.60 |
| Nippon India Ultra Short Duration Fund - Direct Growth Plan | | 13,492 | 504.88 | | - |
| Nippon India Qtr Interval Fund-Series III | | 30,12,236 | 553.50 | | - |
| Nippon India Fixed Horizon XLV Series 4 Direct Growth (U7AGG) | | 1,00,01,499 | 1,000.15 | | - |
| SBI ETF Nifty 50 Nil Units (Previous Year 150000 units) of Rs. 10 each. NAV : Nil (Previous Year 178.68) | | 1,50,000 | 269.39 | 1,50,000 | 268.02 |
| | | | 17,712.57 | | 6,814.04 |
| Aggregate carrying value of unquoted current investments | | | 32,672.27 | | 8,854.22 |
| Total of Current & Non Current Investments | | | 1,33,540.04 | | 1,00,086.46 |
| Aggregate cost of quoted investments | | | 92,698.95 | | 91,254.91 |
| Aggregate market value of quoted investments | | | 1,20,066.13 | | 84,653.32 |
| Aggregate amount of unquoted investments | | | 41,158.89 | | 8,891.59 |

* Investment in associates are valued at ₹ Nil due to erosion in net worth of associate companies resulting in impairment of value recognised in earlier years. The cost of investment was ₹ 185.01 Lakhs

| | As at | |
|--|-----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 8 LOANS | | |
| Non-current | | |
| Considered good - Unsecured | | |
| Inter-corporate deposits / Deposit with NBFC* | 1,000.00 | - |
| Total of Non-Current Loans | 1,000.00 | - |
| Current | | |
| Unsecured considered good | | |
| a) Loan to employees | 48.05 | 52.23 |
| b) Loans to related parties (Subsidiary) | 240.00 | 451.00 |
| c) Inter-corporate deposits / Deposit with NBFC* | 1,001.00 | 100.00 |
| Total of Current Loans | 1,289.05 | 603.23 |
| Total of Current and Non-Current Loans | 2,289.05 | 603.23 |

*Inter-Corporate Deposit (ICD) / Deposit with NBFC placed at different corporates, maximum amount outstanding during the year was ₹ 4451.00 lakhs (Previous Year: ₹ 3600.00 Lakhs) and amount outstanding as at March 31, 2023 is ₹ 2001.00 lakhs (Previous Year: ₹ 100 Lakhs) at the interest rate of 6.51% (Previous Year: 6.50%) per annum.

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Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | | As at | |
|---------------|---|-----------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 9 | OTHER FINANCIAL ASSETS (Unsecured considered good unless otherwise stated) | | |
| | Non-current | | |
| | Security deposit | 263.12 | 236.29 |
| | Fixed Deposit with Banks with maturity more than 12 months # | 359.28 | |
| | Total Non-Current Other Financial Assets | 622.40 | 236.29 |
| | Current | | |
| | Security deposit* | 245.63 | 611.87 |
| | Interest accrued on Bank Deposits and current Investments | 379.07 | 1.03 |
| | Total Current Other Financial Assets | 624.70 | 612.90 |
| | Total of Other Financial Assets | 1,247.10 | 849.19 |

* includes security deposit with related parties ₹ 46.80 Lakhs (Previous Year - ₹ 46.80 Lakhs)

margin money against bank guarantees.

| | | | |
|----------------|--|-----------------|---------------|
| Note 10 | CURRENT TAX ASSETS (NET) | | |
| | Advance tax / Tax paid at source (net of provision)* | 1,652.85 | 574.08 |
| | (Refer Note No. 39(1)(b)) | | |
| | Total of Current Tax Assets (Net) | 1,652.85 | 574.08 |

* Provision for tax ₹ 23163.40 Lakhs and Advance Tax ₹ 14882.72 Lakhs is pertaining to current year.

| | | | |
|----------------|--|-------------------|-------------------|
| Note 11 | DEFERRED TAX ASSETS (NET) | | |
| | Deferred tax liabilities on account of WDV of fixed assets | (7,111.47) | (8,449.20) |
| | | (7,111.47) | (8,449.20) |
| | Deferred tax assets on account of: | | |
| | Disallowances under section 43B of Income Tax Act | (977.94) | (1,051.30) |
| | Adjustments to Ind AS | (2,038.85) | (1,866.87) |
| | Tax Holiday period | - | - |
| | Provision for doubtful debts | (171.97) | (158.02) |
| | OCI on Equity instruments and Defined Benefit Liability | (153.22) | - |
| | | (3,341.98) | (3,076.19) |
| | Total Deferred Tax Liabilities | (3,769.49) | (5,373.01) |
| | Less: MAT Credit (Entitlement) / Reversal* | (4,818.53) | (13,786.95) |
| | Total Deferred Tax Assets (Net) | 1,049.04 | 8,413.94 |

* Management expects that it would earn sufficient taxable income in future and therefore will be in a position to pay normal tax within the period specified under them Income Tax Act, 1961 and accordingly MAT credit entitlement has been recognized.

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | As at | |
|---|-----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 12 OTHER NON-CURRENT ASSETS | | |
| Capital advances | 1,083.08 | 296.69 |
| Deposit with customs | 1.42 | 51.42 |
| Prepaid expenses | 97.59 | 135.21 |
| Total Other Non-Current Assets | 1,182.09 | 483.32 |

| | | |
|----------------------------|------------------|------------------|
| Note 13 INVENTORIES | | |
| Raw Materials * | 9,028.10 | 7,595.47 |
| Work in progress | 860.59 | 569.87 |
| Finished Goods | 5,100.05 | 2,499.23 |
| Stores and spares # | 15,642.67 | 13,609.44 |
| Loose tools | 356.87 | 331.41 |
| Stock at scrap | 126.26 | 23.23 |
| Total Inventories | 31,114.54 | 24,628.65 |

* includes Raw Material in transit of ₹ Nil Lakhs (Previous Year : ₹ 2.38 Lakhs)

includes Stores and Spares in transit of ₹ 767.85 Lakhs (Previous Year : ₹ 194.98 Lakhs)

| | | |
|---|------------------|------------------|
| Note 14 TRADE RECEIVABLES | | |
| Current | | |
| Considered good - Secured | 3,923.03 | 4,239.29 |
| Considered good - Unsecured * | 14,570.96 | 8,923.38 |
| Trade Receivable which have significant increase in credit risk | 23.14 | 195.22 |
| Trade Receivable - Credit Impaired | 492.13 | 452.22 |
| | 19,009.26 | 13,810.11 |
| Less: Allowances for credit losses | 492.13 | 452.22 |
| Total Trade Receivables | 18,517.13 | 13,357.89 |

There are no outstanding receivables due from Directors or Key Management Persons of the Company.

* includes due from subsidiary of ₹ 167.29 Lakhs (Previous Year ₹ 282.67 Lakhs) and from other related party - Nil (Previous Year - Nil)

Ageing analysis of trade receivables

| Sl. No | Particulars | Not Due | Outstanding for following periods from due date of payment as on 31.03.2023 | | | | | Total |
|--|------------------|-----------------|---|-----------------|--------------|---------------|-------------------|-------|
| | | | Less than 6 months | 6 months-1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| 1 Undisputed Trade Receivables : | | | | | | | | |
| i) considered good | 17,249.39 | 1,133.12 | 8.82 | 53.16 | - | 49.50 | 18,493.99 | |
| ii) which have significant increase in credit risk | 14.23 | 3.22 | 4.91 | 0.78 | - | - | 23.14 | |
| iii) credit impaired | - | 64.43 | 7.90 | 3.18 | 5.94 | 237.64 | 319.08 | |
| 2 Disputed Trade Receivables : | | | | | | | | |
| i) considered good | - | - | - | - | - | - | - | |
| ii) which have significant increase in credit risk | - | - | - | - | - | - | - | |
| iii) credit impaired | - | - | - | - | 23.11 | 149.94 | 173.05 | |
| Total Trade Receivable (Gross) | 17,263.62 | 1,200.77 | 21.63 | 57.12 | 29.05 | 437.08 | 19,009.26 | |



Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Sl. No | Particulars | Not Due | Outstanding for following periods from due date of payment as on 31.03.2022 | | | | | Total |
|----------|--|------------------|--|------------------|---------------|---------------|-------------------|------------------|
| | | | Less than 6 months | 6 months- 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| 1 | Undisputed Trade Receivables : | | | | | | | |
| | i) considered good | 10,130.49 | 2,781.43 | 102.46 | 95.80 | 8.63 | 43.86 | 13,162.67 |
| | ii) which have significant increase in credit risk | - | 19.84 | 175.38 | - | - | - | 195.22 |
| | iii) credit impaired | - | 17.46 | 9.86 | 34.65 | 21.68 | 188.06 | 271.69 |
| 2 | Disputed Trade Receivables : | | | | | | | - |
| | i) considered good | - | - | - | - | 0.20 | 7.28 | 7.48 |
| | ii) which have significant increase in credit risk | - | - | - | - | - | - | - |
| | iii) credit impaired | - | - | - | 23.11 | 149.94 | - | 173.05 |
| | Total Trade Receivable (Gross) | 10,130.49 | 2,818.72 | 287.69 | 153.56 | 180.44 | 239.20 | 13,810.11 |

| | As at | |
|--|-----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 15 CASH AND CASH EQUIVALENTS | | |
| Balance with banks | | |
| In Current account | 750.11 | 104.00 |
| In demand deposit accounts with original maturity less than 3 months | 700.08 | 24.12 |
| Cash on hand | 9.14 | 7.17 |
| Total Cash and Cash Equivalents | 1,459.33 | 135.29 |

| | | |
|--|-----------------|---------------|
| Note 16 OTHER BANK BALANCES | | |
| In Unpaid Dividend Accounts | 142.61 | 115.89 |
| In Margin Money Deposits against Bank Guarantees | 42.46 | 90.67 |
| In Unspent CSR Account | 76.13 | 164.15 |
| Bank deposits with maturity more than 3 months but less than 12 months | 1,000.00 | - |
| Total Of Other Bank Balances | 1,261.20 | 370.71 |

| | | |
|--|-----------------|-----------------|
| Note 17 OTHER CURRENT ASSETS | | |
| Advances other than capital advances | | |
| a) Payment to Vendors for supply of goods & services | 3,973.79 | 4,868.35 |
| Others | | |
| a) Prepaid expenses | 206.94 | 812.38 |
| b) Other Assets* | 195.00 | 393.21 |
| c) Balances with Government authorities | 389.44 | 830.55 |
| Total Other Current Assets | 4,765.17 | 6,904.49 |

* includes net amount due from subsidiary company of ₹ Nil Lakhs (Previous year ₹ 27.02 Lakhs)

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.) (All amounts of ₹ In Lakhs except share data and unless otherwise stated)

| | As at | |
|---|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 18 EQUITY SHARE CAPITAL | | |
| Authorized | | |
| 15,00,00,000 (Previous Year : 15,00,00,000) Equity Share ₹ 2/- each | 3,000.00 | 3,000.00 |
| 65,00,000 (Previous Year : 65,00,000) Cumulative Redeemable Non-convertible Preference Shares of ₹ 100 each | 6,500.00 | 6,500.00 |
| Total | 9,500.00 | 9,500.00 |
| Issued, Subscribed and Paid-Up | | |
| 6,60,48,908 (Previous Year : 6,60,48,908) Equity Shares ₹ 2/- each fully paid up | 1,320.98 | 1,320.98 |
| Total Equity Share Capital | 1,320.98 | 1,320.98 |

Rights, preference and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in 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 proportion of their shareholding. The Company has neither bought back any shares nor issued any bonus shares during five years immediately preceding the Balance Sheet date.

| Movements in equity share capital | No. of Shares | ₹ in Lakhs |
|-----------------------------------|--------------------|-----------------|
| As at April 01, 2021 | 6,60,48,908 | 1,320.98 |
| Shares issued during the year | - | - |
| As at March 31, 2022 | 6,60,48,908 | 1,320.98 |
| Shares issued during the year | - | - |
| As at March 31, 2023 | 6,60,48,908 | 1,320.98 |

Shares held by promoters at the end of the year

| Sr. No | Promoter Name | As at | | | | Change during the year |
|--------------|---|--------------------|------------------|--------------------|------------------|------------------------|
| | | FY-2022-2023 | | FY-2021-2022 | | |
| | | No. Shares | %of Total shares | No. Shares | %of Total shares | |
| 1 | Shri Shree Kumar Bangur | 27,92,339 | 4.23% | 27,92,339 | 4.23% | - |
| 2 | Smt. Shashi Bangur | 23,43,362 | 3.55% | 23,19,415 | 3.51% | 0.04% |
| 3 | Shri Saurabh Bangur | 16,51,228 | 2.50% | 16,51,228 | 2.50% | - |
| 4 | Shri Virendraa Bangur | 11,22,956 | 1.70% | 11,22,956 | 1.70% | - |
| 5 | Smt. Bharti Bangur | 1,27,300 | 0.19% | 1,27,300 | 0.19% | - |
| 6 | Master Shrivatsa Bangur | 62,300 | 0.09% | 62,300 | 0.09% | - |
| 7 | Saurabh Bangur (HUF) | 2,71,480 | 0.41% | 2,71,480 | 0.41% | - |
| 8 | Shree Satyanarayan Investments Company Ltd. | 1,04,61,891 | 15.84% | 1,04,60,593 | 15.84% | - |
| 9 | Veer Enterprises Limited | 1,07,34,434 | 16.25% | 1,07,27,434 | 16.24% | 0.01% |
| 10 | Orbit Udyog Pvt Ltd | 24,09,855 | 3.65% | 24,09,855 | 3.65% | - |
| 11 | Saumya Trade And Fiscal Services Pvt Ltd.* | - | - | 21,06,309 | 3.19% | (3.19)% |
| 12 | Union Company Limited | 4,450 | 0.01% | 4,450 | 0.01% | - |
| 13 | Mothola Company Ltd. * | - | - | 77,700 | 0.12% | (0.12)% |
| 14 | The Indra Company Limited | 22,21,259 | 3.36% | 25,750 | 0.04% | 3.32% |
| 15 | The Diamond Company Limited | 19,83,197 | 3.00% | 19,83,197 | 3.00% | - |
| 16 | Kilkotagiri And Thirumbadi Plantations Ltd. | 5,03,939 | 0.76% | 5,03,939 | 0.76% | - |
| 17 | Amrit- Villa Investments Ltd. * | - | - | 11,500 | 0.02% | (0.02)% |
| 18 | Gold Mohore Investment Co Ltd. | 6,47,545 | 0.98% | 6,47,545 | 0.98% | - |
| Total | | 3,73,37,535 | 56.53% | 3,73,05,290 | 56.48% | 0.05% |

*Amalgamated into "The Indra Company Limited" during the year.

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as at and for the year ended March 31, 2023 (Contd.)

(All amounts of ₹ In Lakhs except share data and unless otherwise stated)

Details of shareholders holding more than 5% shares

| Sr No | Name of shareholders | As at | | | |
|----------|---|------------------|-----------------|------------------|-----------------|
| | | March 31, 2023 | | March 31, 2022 | |
| | | No. of Shares | % of Holding | No. of Shares | % of Holding |
| 1 | Veer Enterprises Limited | 1,07,34,434 | 16.25% | 1,07,27,434 | 16.24% |
| 2 | Shree Satyanarayan Investments Company Limited | 1,04,61,891 | 15.84% | 1,04,60,593 | 15.84% |
| 3 | Nippon Life India Trustee Limited-A/C Nippon India Small Cap Fund | 33,49,491 | 5.07% | 42,78,015 | 6.48% |

Note 19 OTHER EQUITY

| Particulars | Reserves & Surplus | | | | | | Other Comprehen- sive Income | Total |
|---|--------------------------------|----------------------|----------------------------------|--------------------------------------|--------------------|---|---------------------------------------|--------------------|
| | Security Premium Account | Retained Earnings | Capital Redemption Reserve | Equity Share warrant forfeited | General Reserve | Remeasurement of net defined benefit plan | | |
| Opening as on April 01, 2021 | 14,572.54 | 71,532.51 | 6,500.00 | 277.50 | 36,934.35 | (1,293.88) | - | 1,28,523.02 |
| Profit for the year | - | 21,808.87 | - | - | - | - | - | 21,808.87 |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | - | - | - | (239.26) | - | (239.26) |
| Dividends paid | - | (660.49) | - | - | - | - | - | (660.49) |
| Balance as on March 31, 2022 | 14,572.54 | 92,680.88 | 6,500.00 | 277.50 | 36,934.35 | (1,533.14) | - | 1,49,432.14 |
| Balance as on April 01, 2022 | 14,572.54 | 92,680.88 | 6,500.00 | 277.50 | 36,934.35 | (1,533.14) | - | 1,49,432.14 |
| Profit for the year | - | 58,712.47 | - | - | - | - | - | 58,712.47 |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | - | - | - | (229.03) | - | (229.03) |
| Remeasurement of equity instruments (net of tax) | - | - | - | - | - | - | (222.32) | (222.32) |
| Dividends paid | - | (3,962.93) | - | - | - | - | - | (3,962.93) |
| Balance as on March 31, 2023 | 14,572.54 | 1,47,430.42 | 6,500.00 | 277.50 | 36,934.35 | (1,762.18) | (222.32) | 2,03,730.35 |

The Board of Directors of the Company recommended a Dividend of ₹ 10/- per share (for the year ended March 31, 2022 dividend of ₹ 6.00/- per share) be paid on fully paid Equity Shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is ₹ 6604.89 Lakhs (for the year ended March 31, 2022 dividend ₹ 3962.93 Lakhs).

- Security Premium Account :** This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings :** This Reserve represents the cumulative profits of the Company and effects of measurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Capital Redemption Reserve :** This Reserve has been created in relation to issuance of debentures and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Equity Share Warrant Forfeited:** This Reserve represents forfeiture of share warrant by failing to meet purchase requirements and can be utilised in accordance with the provisions of the Companies Act, 2013.
- General Reserve :** This Reserve created by an appropriation from one component of Equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.
- Other Comprehensive Income:** Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | | As at | |
|----------------|---|-----------------|------------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 20 | NON CURRENT BORROWINGS | | |
| | Non-current Borrowings | | |
| | Secured (At amortized cost) | | |
| | Term Loans | | |
| | From Banks | | |
| | Rupee Loans | - | 15,500.00 |
| | Foreign Currency Loans | 4,354.44 | 8,709.03 |
| | Total Term Loans | 4,354.44 | 24,209.03 |
| | Less: Unamortised value of transaction cost | 8.60 | 36.72 |
| | Less: Current maturities of Long Term Borrowings | 3,483.55 | 8,558.84 |
| | Total Non-current Term Loans | 862.29 | 15,613.47 |
| | Unsecured (At amortized cost) | | |
| | Other loans | | |
| | From Others | | |
| | Interest Free Loan under Sales Tax Deferment Scheme | | |
| | from State Government of Karnataka | 7,182.56 | 8,208.05 |
| | Add: Ind AS Fair value adjustment | 289.49 | 235.31 |
| | Less: Current maturity of Long Term Borrowings | 1,905.66 | 1,546.14 |
| | Total Other Loans | 5,566.39 | 6,897.22 |
| | Total Non-Current Borrowings | 6,428.68 | 22,510.69 |

Nature of Security

Term loans

- ECB Euro Loan from Standard Chartered Bank (SCB) is secured by way of a first charge on the movable fixed assets of the Company pertaining to the Paper Division at Dandeli ranking pari passu with other term loan facilities and Short Term Loan from SCB.

Terms of repayment of term loan and other loans

As at March 31, 2023

| Particulars | Amount Outstanding | Period | Terms of Repayment |
|---|--------------------|-----------------------|-----------------------|
| Standard Chartered Bank - ECB € Loan (3 Months EURIBOR + 2.25%) | 4,354.44 | May 2019 - April 2024 | Quarterly instalments |
| Interest Free Sales tax Loan | 7,182.56 | June 2014 - June 2025 | Yearly instalments |
| Total term loan | 11,537.00 | | |



Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

As at March 31, 2022

| Particulars | Amount Outstanding | Period | Terms of Repayment |
|---|--------------------|-----------------------|-----------------------|
| Rupee Loan | | | |
| ICICI Bank Ltd. (1 Year MCLR + 0.6%) | 5,500.00 | Sept 2020 - Aug 2024 | Quarterly instalments |
| ICICI Bank Ltd. (3 Months T-Bills + 0.6%) | 10,000.00 | Dec 2021 - Jun 2025 | Quarterly instalments |
| Foreign Currency Loan: | | | |
| Standard Chartered Bank - ECB € Loan (3 Months EURIBOR + 2.25%) | 7,380.33 | May 2019 - April 2024 | Quarterly instalments |
| Axis Bank Limited - ECB \$ Loan (3 months Libor + 1.75%) | 1,328.69 | Feb 2020 - Aug 2022 | Quarterly instalments |
| Interest Free Sales tax Loan | 8,208.05 | June 2014 - June 2025 | Yearly instalments |
| Total term loan | 32,417.08 | | |

| | | As at | |
|----------------|---|------------------|------------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 21 | LEASE LIABILITIES | | |
| | Non-current | | |
| | Lease Liabilities | 1,694.74 | 1,985.35 |
| | Total Non-Current Lease Liabilities | 1,694.74 | 1,985.35 |
| | Current | | |
| | Lease Liabilities | 370.42 | 329.58 |
| | Total Current Lease Liabilities | 370.42 | 329.58 |
| | Total of Non-Current & Current Lease Liabilities | 2,065.16 | 2,314.93 |
| Note 22 | OTHER FINANCIAL LIABILITIES | | |
| | Non-current | | |
| | Others - | | |
| | Dealer Deposits | 4,081.96 | 4,559.49 |
| | Deferred Government Grant | 644.75 | 1,166.83 |
| | Total Non-Current Other Financial Liabilities | 4,726.71 | 5,726.32 |
| | Current | | |
| | Current maturities of Deferred Government Grant | 522.08 | 520.65 |
| | Interest accrued but not due on borrowings | 33.44 | 45.60 |
| | Unpaid dividend | 142.61 | 115.89 |
| | Other financial liabilities | 12,971.52 | 8,709.61 |
| | Payable on purchase of fixed assets | 47.91 | 16.54 |
| | Total Current Other Financial Liabilities | 13,717.56 | 9,408.29 |
| | Total Other Financial Liabilities | 18,444.27 | 15,134.61 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | As at | |
|---|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 23 OTHER NON-CURRENT LIABILITIES | | |
| Decommissioning & Dismantling liability | 8,380.16 | 7,974.55 |
| Total Other Non-Current Liabilities | 8,380.16 | 7,974.55 |
| Reconciliation | | |
| Opening Balance | 7,974.55 | 7,568.59 |
| Unwinding of interest and effect of change in discount rate | 405.61 | 405.96 |
| Reduction arising from payments | - | - |
| Closing balance | 8,380.16 | 7,974.55 |

| | | |
|---------------------------------------|-----------------|------------------|
| Note 24 CURRENT BORROWINGS | | |
| Current | | |
| Secured | | |
| Loan repayable on demand from banks* | 3,513.85 | 6,541.09 |
| Current maturities of long term debts | 3,483.55 | 8,558.84 |
| Unsecured | | |
| Current maturities of long term debts | 1,905.66 | 1,546.14 |
| Total Current Borrowings | 8,903.06 | 16,646.07 |

* The short term loans from Banks are secured by Joint hypothecation of Stores, Spares, Raw Materials, Stock-in-process, Finished Goods, Book Debts etc., ranking pari-passu charge.

| | | |
|---|------------------|------------------|
| Note 25 TRADE PAYABLES | | |
| Total outstanding dues of Micro, and Small Enterprises [Refer Note no. 51] | 1,411.54 | 1,116.80 |
| Total outstanding dues of creditors other than Micro, and Small Enterprises | 9,055.72 | 9,806.66 |
| Total Trade Payables | 10,467.26 | 10,923.46 |

Trade Payable ageing

| Sl. No | Particulars | Outstanding for following periods from due date of payment as on 31.03.2023 | | | | | Total |
|--------|------------------------|---|------------------|-------------|--------------|-------------------|------------------|
| | | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| i) | MSME | 1,128.02 | 283.52 | - | - | - | 1,411.54 |
| ii) | Others | 4,826.53 | 4,179.53 | - | 12.15 | 37.51 | 9,055.72 |
| iii) | Disputed Dues - MSME | - | - | - | - | - | - |
| iv) | Disputed Dues - Others | - | - | - | - | - | - |
| | Total | 5,954.55 | 4,463.05 | - | 12.15 | 37.51 | 10,467.26 |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Sl. No | Particulars | Outstanding for following periods from due date of payment as on 31.03.2022 | | | | | Total |
|--------|------------------------|---|------------------|--------------|-------------|-------------------|------------------|
| | | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| i) | MSME | 988.24 | 128.56 | - | - | - | 1,116.80 |
| ii) | Others | 3,804.95 | 5,953.80 | 11.14 | 5.77 | 30.99 | 9,806.66 |
| iii) | Disputed Dues - MSME | - | - | - | - | - | - |
| iv) | Disputed Dues - Others | - | - | - | - | - | - |
| | Total | 4,793.19 | 6,082.36 | 11.14 | 5.77 | 30.99 | 10,923.46 |

| | As at | |
|--|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 26 OTHER CURRENT LIABILITIES | | |
| Statutory liabilities | 1,784.65 | 1,464.47 |
| Other liabilities | 4,405.48 | 3,554.60 |
| Total Other Current Liabilities | 6,190.13 | 5,019.07 |

| | As at | |
|--|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 27 PROVISIONS | | |
| Non-current | | |
| Provision for Employee benefit (Refer Note:45) | 1,020.83 | 616.42 |
| Total Non-Current Provisions | 1,020.83 | 616.42 |
| Current | | |
| Provision for Employee benefit (Refer Note:45) | 766.18 | 1342.28 |
| Total Current Provisions | 766.18 | 1342.28 |
| Total of Provisions | 1,787.01 | 1,958.70 |

| | For the year ended | |
|--|--------------------|--------------------|
| | March 31, 2023 | March 31, 2022 |
| Note 28 REVENUE FROM OPERATIONS | | |
| Sales of Products | | |
| Paper and Board | 2,60,466.22 | 1,85,848.80 |
| Cables | 18,601.90 | 11,007.31 |
| Wind Power | 18.17 | 24.10 |
| Other Operating Revenues | | |
| Export Promotion Incentive | 48.51 | 79.61 |
| Scrap Sales | 1,099.33 | 988.56 |
| Total Revenue from Operations | 2,80,234.13 | 1,97,948.38 |

| | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 29 REVENUE FROM TRADING OPERATIONS | | |
| Revenue from Trading Operations | 799.07 | 571.86 |
| Total Revenue from Trading Operations | 799.07 | 571.86 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | | For the year ended | |
|----------------|--|--------------------|------------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 30 | OTHER INCOME | | |
| | Interest Income | | |
| | From Banks | 13.37 | 45.51 |
| | From Others | 1,007.55 | 335.04 |
| | Other Non - Operating Income | | |
| | Profit on sale of property, plant & equipment | 7.30 | 12.69 |
| | Rent received | 141.42 | 138.53 |
| | Income from government grant | 520.65 | 520.65 |
| | Profit on sale / fair value of Investment | 394.44 | 89.49 |
| | Liabilities and provisions written back | 38.61 | 228.09 |
| | Dividend Income | 2,174.78 | 1,435.81 |
| | Others | 267.04 | 189.97 |
| | Total Other Income | 4,565.16 | 2,995.78 |
| Note 31 | COST OF MATERIALS CONSUMED | | |
| | Pulp Wood, Pulp & Waste Paper | 68,922.36 | 56,883.57 |
| | Optical Fiber, PBT, HDPE & Others | 14,341.01 | 9,310.98 |
| | Chemicals & Dyes | 32,599.20 | 26,913.04 |
| | Packing Materials | 6,283.68 | 5,742.37 |
| | Total Cost of Materials Consumed | 1,22,146.25 | 98,849.96 |
| Note 32 | PURCHASES OF STOCK IN TRADE | | |
| | Purchase of Trading Goods | 731.35 | 549.63 |
| | Total Purchases of Stock in Trade | 731.35 | 549.63 |
| Note 33 | CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS | | |
| | Opening Stock of Finished Goods | | |
| | - Paper and Board | 1,439.02 | 4,761.64 |
| | - O. F. C. Cables, etc. | 1,060.21 | 241.85 |
| | | 2,499.23 | 5,003.49 |
| | Closing Stock of Finished Goods | | |
| | - Paper and Board | 4,171.47 | 1,439.02 |
| | - O. F. C. Cables, etc. | 928.58 | 1,060.21 |
| | | 5,100.05 | 2,499.23 |
| | Change in Inventory of Finished Goods | (2,600.82) | 2,504.26 |
| | Opening Stock of Work-in-progress | 569.87 | 455.46 |
| | Closing Stock of Work-in-progress | 860.59 | 569.87 |
| | Change in inventory of Work-in-progress | (290.72) | (114.41) |
| | Total Change in Inventory of Finished Goods & WIP | (2,891.54) | 2,389.85 |

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(₹ in Lakhs)

| | For the year ended | |
|--|--------------------|------------------|
| | March 31, 2023 | March 31, 2022 |
| Note 34 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Wages, Bonus, Allowances, etc. | 17,116.43 | 15,633.52 |
| Contribution to Provident & Other Funds | 1,496.90 | 1,390.03 |
| Staff Welfare Expense | 1,341.75 | 1,220.48 |
| Total Employee Benefits Expense | 19,955.08 | 18,244.03 |
| Note 35 FINANCE COSTS | | |
| Interest Expense : | | |
| Term Loans | 822.05 | 2,985.95 |
| Others | 1,282.30 | 1,472.37 |
| Interest cost on Sales Tax Loan | 574.83 | 621.44 |
| Other Borrowing Costs | 213.46 | 590.11 |
| Net Loss (Gain) on Foreign Currency Transactions & Translation | 41.57 | (390.79) |
| Total Finance Costs | 2,934.21 | 5,279.08 |
| Note 36 DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation on Property, Plant and Equipment | 11,515.92 | 13,436.67 |
| Amortization of Right of use Assets | 402.36 | 353.30 |
| Amortisation of Intangible Assets | 17.28 | 42.82 |
| Total Depreciation and Amortisation | 11,935.56 | 13,832.79 |
| Note 37 OTHER EXPENSES | | |
| Consumption of stores & spare parts | 7,511.10 | 5,627.63 |
| Power, coal and water | 28,704.45 | 22,870.99 |
| Rent | 114.76 | 101.61 |
| Repair and maintenance of buildings | 2,664.67 | 1,504.36 |
| Repair and maintenance of plant and machinery | 2,060.54 | 1,366.18 |
| Repair and maintenance of other assets | 572.06 | 457.76 |
| Insurance | 711.77 | 688.07 |
| Rates & taxes | 113.99 | 109.54 |
| Miscellaneous expenses | 2,176.66 | 1,850.85 |
| Payments to auditors (Refer Note 52) | 38.12 | 34.65 |
| Forwarding Charges on Sales | 1,135.96 | 1,171.55 |
| Commission on Sales | 749.24 | 760.95 |
| Provision for doubtful debts (net) | 39.91 | - |
| Commission to director | 3,693.35 | 923.37 |
| Directors' fees | 24.25 | 10.60 |
| Charity & donations | 75.00 | 30.50 |
| Corporate social responsibility expenses (Refer Note 50) | 351.21 | 406.22 |
| Loss on discard of assets | 114.25 | 12.29 |
| Total Other Expenses | 50,851.29 | 37,927.12 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | | For the year ended | |
|----------------|--|--------------------|-------------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 38 | INCOME TAX EXPENSE | | |
| | Current Tax Expense | | |
| | Current Tax on profits for the year | 23,163.41 | 4,495.45 |
| | Current Tax on profits for earlier years | (470.88) | - |
| | MAT Credit (Entitlement) / Reversal for earlier years | (18.54) | - |
| | Total Current Tax Expense | 22,673.99 | 4,495.45 |
| | Deferred Tax | | |
| | Decrease / (increase) in deferred tax assets | | |
| | Property, plant and equipment | (1,337.73) | (1,392.12) |
| | (Decrease) / increase in deferred tax liabilities | | |
| | Disallowance under section 43B | 73.37 | (257.92) |
| | Tax holiday period | - | 1.03 |
| | Adjustments to Ind AS | (171.98) | (233.59) |
| | Provision for doubtful debts | (13.95) | 21.84 |
| | Total Deferred Tax Expense / (Income) | (1,450.29) | (1,860.76) |
| | Total Income Tax Expense | 21,223.70 | 2,634.69 |

| | | As at | |
|----------------|--|----------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 39 | CONTINGENT LIABILITIES AND COMMITMENTS | | |
| | Contingent Liabilities & Commitments | | |
| | a. Contingent Liabilities : | | |
| | i. Claims against the Company not acknowledged as debts in respect of | | |
| | a. Income tax matters, pending decisions on various appeals made by the Company and by the Department (refer Note I below) (refund adjusted against demand ₹ 657 Lakhs, Previous Year ₹ 657 Lakhs) | 2,794.22 | 2,831.35 |
| | b. Excise matters, Service Tax & GST under dispute | 548.64 | 87.81 |
| | c. Custom matter under dispute | 540.27 | 540.27 |
| | d. Other matters under dispute | 82.78 | 82.78 |
| | b. Commitments : | | |
| | i. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance of ₹ 1083.09 Lakhs - Previous Year ₹ 261.00 Lakhs) | 12,005.51 | 1,658.79 |

Notes :

I Income Tax

- The Income Tax assessments of the Company have been completed up to AY 2017-18.
- In the books of Accounts, the company is accounting Income tax refunds after adjustment of tax demands by IT authorities, if any. The matters are pending before High Court and ITAT for various issues. Based on legal opinion the Company is contesting those tax demands/ disallowances at appropriate level. The company has therefore not recorded adjustment of taxes/order in books.

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c. MATERIAL DEMANDS AND DISPUTES CONSIDERED AS "REMOTE" BY THE COMPANY:

The Company claimed deduction under Section 80 IA of the Income Tax Act 1961 in its return for Power Undertaking for Financial Year 1998-99 to 2021-22 and for Effluent (Water) treatment for financial year 2016-17 to 2021-22. The assessing officer disallowed the benefit of deductions at assessment stage. Company had preferred appeals with Commissioner Appeals and / or ITAT. The ITAT partly allowed the appeals of the company. Department / Company have preferred appeal against the order of ITAT. As advised by legal advisors, Company has a strong case / merit for claiming the deduction and thus expects a favorable outcome.

d. The total demand outstanding as on 31.03.2023 on account of income tax dues is ₹ 2794.22 lakhs (Previous year ₹ 2831.35 lakhs), net of tax paid/adjusted under protest ₹ 657 Lakhs.

Note 40 LOAN PURCHASE AGREEMENT

The Company had entered into a loan purchase agreement with ICICI Bank Ltd. for ₹ 4,000 Lakhs in respect of borrowings of Shree Rama Newsprint Limited (SRNL) after sale of its investment in shares of SRNL. The loan purchase agreement stipulates that upon occurrence of default ICICI Bank Ltd. will have "a right" to require the Company to purchase the loan outstanding of SRNL along with transfer of underlying security by ICICI Bank Ltd., to the Company. The outstanding balance as at March 31, 2023 of SRNL loan is ₹ 2,979.00 Lakhs with principal repayment due by June 30, 2025. The Company does not foresee any event of default, further the security value is significantly higher than the outstanding loan balance and hence no liability is envisaged in this respect.

Note 41

During the year 2020-21, a supplier has made a claim of approximately ₹ 3,600 Lakhs against the Cable division of the company for alleged breach of contract and had initiated Arbitration proceedings against the company.

The company has received Award dated 16th June 2022 from Hon'ble Sole Arbitrator in favour of it rejecting the claim of supplier. However, the supplier had challenged the award in the Hon'ble High Court of Delhi by filing Petition u/s 34 of Arbitration and Conciliation Act, 1996 seeking to set aside the aforesaid award and the matter is pending.

| | | For the year ended | |
|----------------|---|--------------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 42 | EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33 : | | |
| | Earnings | | |
| | Profit / (Loss) for the year | 58,712.46 | 21,808.87 |
| | Shares | | |
| | Number of shares at the beginning of the period | 6,60,48,908 | 6,60,48,908 |
| | Add : Shares issued during the period | - | - |
| | Total number of equity shares outstanding at the end of the period | 6,60,48,908 | 6,60,48,908 |
| | Weighted average number of equity shares outstanding during the period | 6,60,48,908 | 6,60,48,908 |
| | Earnings per share (Basic / Diluted) (Face value ₹ 2/- per share) | 88.89 | 33.02 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

Note 43 RELATED PARTY DISCLOSURES AS PER IND AS 24

I. Relationship :

a. Associate Company

- 1) Speciality Coatings and Laminations Ltd.

b. Subsidiary Company

- 1) West Coast Opticable Limited
- 2) Andhra Paper Ltd.

c. Enterprises where principal shareholders have control

- 1) Veer Enterprises Ltd.
- 2) Shree Satyanarayan Investments Company Ltd.
- 3) Siddhi Trade & Holdings Pvt. Ltd.
- 4) Rangnath Bangur Charitable Trust
- 5) Shree Ram Trust
- 6) Bangur Trust
- 7) The Marwar Textiles Agency Pvt. Ltd.
- 8) Kilkotagiri & Thirumbadi Plantations Ltd.

d. Key Management Personnel (KMP)

- 1) Shri S. K. Bangur (Chairman & Managing Director)
- 2) Shri Virendraa Bangur (Joint Managing Director)
- 3) Shri Rajendra Jain (Executive Director)
- 4) Shri Rajesh Bothra (w.e.f. 06.08.2022)
- 5) Shri Brajmohan Prasad (Company Secretary)

e. Relative of Key Management Personnel

- 1) Smt. Shashi Bangur
- 2) Shri Saurabh Bangur

f. Company in which Director is common

- 1) Gloster Cables Ltd.

g. Non-Executive / Independent Directors on the Board

- 1) Smt Shashi Bangur
- 2) Shri Saurabh Bangur
- 3) Shri P N Kapadia (upto 30.05.2022)
- 4) Shri Sudarshan Somani
- 5) Smt Arpita Vinay
- 6) Shri Shiv Ratan Goenka
- 7) Shri Ashok Kumar Garg
- 8) Shri Vinod Balmukand Agarwala (w.e.f 26.05.2022)

h. Post Employment Benefit Plan

- 1) Employees Provident Fund of West Coast Paper Mills Ltd.
- 2) Gratuity Fund of West Coast Paper Mills Ltd.

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(₹ in Lakhs)

II. The following is a summary of related party transactions

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| i. Rent paid / reimbursment of expenses to : | | |
| 1) Veer Enterprises Ltd. | 139.97 | 134.60 |
| 2) Shree Satyanarayan Investment Company Ltd. | 103.72 | 98.40 |
| 3) Siddhi Trade & Holdings Pvt. Ltd. | 19.33 | 17.86 |
| 4) Shri S. K. Bangur | 27.02 | 24.72 |
| 5) Smt. Shashi Bangur | 6.00 | 6.00 |
| 6) The Marwar Textiles Agency Pvt Ltd | 4.54 | 4.25 |
| ii. Charity & Donations : | | |
| 1) Rangnath Bangur Charitable Trust | 75.00 | 30.00 |
| 2) Shree Ram Trust | - | - |
| 3) Bangur Trust | - | - |
| iii. Compensation to KMP : | | |
| Salary & other Employee benefits to Directors and Executive Officers | 4,535.09 | 1,656.52 |
| iv. Purchases from Gloster Cables Ltd. | 123.62 | 88.27 |
| v Rent received from Gloster Cables Ltd. | 12.42 | 12.42 |
| vi Sales to Kilkotagiri & Thirumbadi Plantations Ltd. | 2.60 | 7.00 |
| vii Sales to West Coast Opticable Ltd. | 387.87 | 585.23 |
| viii Electricity, Water and other charges recovered from West Coast Opticable Ltd. | 105.37 | 72.52 |
| ix Rent received from West Coast Opticable Ltd. | 57.77 | 64.52 |
| x Job work charges paid to West Coast Opticable Ltd. | 552.70 | 867.10 |
| xi ICD given to West Coast Opticable Ltd. | - | - |
| xii Repayment of ICD received from West Coast Opticable Ltd. | 211.00 | 612.00 |
| xiii Interest on ICD received from West Coast Opticable Ltd. | 22.46 | 79.33 |
| xiv Corporate guarantee commission received from West Coast Opticable Ltd. | 2.54 | - |
| xv Job work income from West Coast Opticable Ltd. | 8.67 | - |
| xvi Rental expenses paid to Andhra Paper Ltd. | 8.89 | 8.36 |
| xvii Materials purchased from Andhra Paper Ltd. | 84.29 | 7.63 |
| xviii Professional charges recovered from Andhra Paper Ltd. | 32.00 | 32.00 |
| xix Rent recovered from Andhra Paper Ltd. | 44.08 | 34.64 |
| xx Materials sold to Andhra Paper Ltd. | - | 0.42 |
| xxi Contribution to Post Employment Benefit Plan : | | |
| 1) Employees Provident Fund of West Coast Paper Mills Ltd. | 804.19 | 927.90 |
| 2) Gratuity Fund of West Coast Paper Mills Ltd. | 279.05 | 266.97 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

III. The Company has the following amounts due to/from related parties :

| | As at | |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| i. Due to related Parties | | |
| 1) Employees Provident Fund of West Coast Paper Mills Ltd. | 68.34 | 61.89 |
| 2) Gratuity Fund of West Coast Paper Mills Ltd. | 471.24 | 664.64 |
| 3) Gloster Cables Ltd. | 43.19 | - |
| ii. Due from related Parties | | |
| 1) Veer Enterprises Ltd. - Security Deposit | 23.10 | 23.10 |
| 2) Shree Satyanarayan Investments Company Ltd. - Security Deposit | 21.10 | 21.10 |
| 3) Smt. Shashi Bangur - Security Deposit | 2.40 | 2.40 |
| 4) The Marwar Textiles Agency Pvt Ltd. | 0.20 | 0.20 |
| 5) Kilkotagiri & Thirumbadi Plantations Ltd. - Sales | 3.44 | - |
| 6) West Coast Opticable Ltd. - Unsecured Loans - ICD | 240.00 | 451.00 |
| 7) West Coast Opticable Ltd.- Trade receivable | 167.29 | 282.67 |
| 8) Andhra Paper Ltd. | - | 27.02 |

Note 44

Disclosure as per Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

| Company | Maximum Balance Outstanding during | | Amount Outstanding as on | |
|-----------------------------|------------------------------------|----------|--------------------------|----------------|
| | 2022-23 | 2021-22 | March 31, 2023 | March 31, 2022 |
| West Coast Opticable Ltd. | | | | |
| a) Inter Corporate Deposits | 451.00 | 1,063.00 | 240.00 | 451.00 |
| b) Corporate Guarantee | - | 337.50 | - | - |

Note 45 EMPLOYEE BENEFIT PLANS

As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

[A] Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under :

| Particulars | For the year | |
|--|--------------|----------|
| | 2022-23 | 2021-22 |
| Employer's Contribution to Provident Fund/Pension Fund | 1,167.99 | 1,069.00 |
| Employer's Contribution to Superannuation Fund | 46.79 | 49.58 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

[B] Defined Benefit Plan

The following table sets out the status of the Gratuity Plan as required under IND AS-19 :

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

| Particulars | For the year | |
|--------------------------------------|--------------|----------|
| | 2022-23 | 2021-22 |
| Opening defined benefit obligation | 4,857.70 | 4,066.36 |
| Current Service cost | 230.99 | 225.33 |
| Interest Cost | 351.21 | 309.25 |
| Benefits paid | (475.94) | (449.19) |
| Actuarial losses/(gain) | 314.77 | 705.95 |
| Obligations at the end of the period | 5,278.73 | 4,857.70 |

Change in Plan Assets

| | | |
|--|----------|----------|
| Opening fair value of plan assets | 4,193.06 | 3,906.72 |
| Interest income on plan assets | 303.16 | 267.61 |
| Return on Plan Assets, excluding interest income | (37.29) | 18.42 |
| Contributions by employer | 824.50 | 449.50 |
| Benefits paid | (475.94) | (449.19) |
| Closing fair value of plan assets | 4,807.49 | 4,193.06 |

Amount recognized in Balance Sheet

| | | |
|-------------------------------------|------------|------------|
| Present value of funded obligations | (5,278.73) | (4,857.70) |
| Fair Value of Plan Asset | 4,807.49 | 4,193.06 |
| Net Asset / (Liability) | (471.24) | (664.64) |

Expense recognised in statement of Profit and Loss Account

| | | |
|--|----------|----------|
| Current service cost | 230.99 | 225.33 |
| Interest Cost | 351.21 | 309.25 |
| Interest income on plan assets | (303.16) | (267.61) |
| Net Income/Expenses recognized in Statement of Profit & Loss | 279.04 | 266.97 |

Expense recognised in OCI

| | | |
|--|--------|---------|
| Actuarial (Gain) / Losses on Obligation for the period | 314.77 | 257.68 |
| Return on Plan Assets, Excluding Interest Income | 37.29 | (18.42) |
| Net (Income)/Expenses recognized in OCI | 352.06 | 239.26 |

Sensitivity Analysis

| | | |
|---|----------|----------|
| Effect of +1% increase in discount rate | (270.05) | (236.58) |
| Effect of -1% decrease in discount rate | 305.50 | 265.25 |
| Effect of +1% increase in Salary rate | 319.66 | 279.10 |
| Effect of -1% decrease in Salary rate | (289.62) | (252.68) |
| Effect of +1% increase in Employee turnover | 125.21 | 131.91 |
| Effect of -1% decrease in Employee turnover | (136.60) | (143.89) |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Maturity Profile of projected benefit obligation from the fund

| Particulars | For the year | |
|---------------------------|--------------|----------|
| | 2022-23 | 2021-22 |
| 2nd following year | 403.89 | 399.40 |
| 3rd following year | 435.79 | 441.25 |
| 4th following year | 486.59 | 331.20 |
| 5th following year | 630.15 | 407.82 |
| Sum of years 6 to 10 | 2,278.11 | 1,952.94 |
| Sum of years 11 and above | 3,588.80 | 3,050.97 |

Category of Plan Assets

| Managed by: | | |
|---------------------------------|--------|--------|
| LIC | 62.74% | 58.56% |
| Aditya Birla Capital | 1.49% | 1.66% |
| ICICI Prudential Life Insurance | 35.77% | 39.78% |

Financial assumptions at the valuation date

| | | |
|---|-------|-------|
| Discount rate | 7.50% | 7.23% |
| Estimated rate of return on Plan assets | 7.50% | 7.23% |
| Salary escalation over and above highest of salary in grade | 2.00% | 1.00% |

(All amounts of ₹ In Lakhs except share data and unless otherwise stated)

| | As at | |
|--|----------|----------|
| | 2022-23 | 2021-22 |
| Note 46 DIVIDEND REMITTANCE TO FOREIGN INVESTORS (INR) | | |
| Number of non-resident shareholders | 630 | 582 |
| Number of shares held by them on which dividend was paid | 3,37,062 | 4,95,733 |
| Amount remitted - net of tax (₹ lakhs) | 16.01 | 3.87 |

Note 47 SEGMENT INFORMATION

Pursuant to Accounting Ind AS 108 – Segment Reporting, information about Business Segments (Information provided in respect of revenue items for the year ended March 31, 2023 and in respect of assets / liabilities as at March 31, 2023) is disclosed as under :

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable"
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | Paper | | Cables | | Others | | Total | |
|--|-------------|-------------|-----------|-----------|---------|---------|------------------|------------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Segment Revenue* | 2,61,560.74 | 1,86,864.38 | 19,454.29 | 11,631.76 | 18.17 | 24.10 | 2,81,033.20 | 1,98,520.24 |
| Segment result before Interest and Taxes | 80,337.85 | 29,692.58 | 1,541.77 | 400.94 | (6.56) | (3.98) | 81,873.06 | 30,089.53 |
| Less : Unallocable Finance Cost | | | | | | | 2,934.21 | 5,279.08 |
| Less : Other Unallocable expenditure | | | | | | | (997.31) | 366.89 |
| Profit / (Loss) Before Tax | | | | | | | 79,936.16 | 24,443.56 |
| Tax Expenses : | | | | | | | | |
| Less : Current Tax | | | | | | | 22,692.53 | 4,495.45 |
| Less : MAT Credit (Entitlement) / Reversal | | | | | | | (18.54) | - |
| Less : Deferred Tax | | | | | | | (1,450.29) | (1,860.76) |
| Total Tax Expenses | | | | | | | 21,223.70 | 2,634.69 |
| Profit / (Loss) for the year | | | | | | | 58,712.46 | 21,808.87 |
| Other Informations | | | | | | | | |
| Segment Assets | 2,54,634.56 | 2,23,255.49 | 13,031.40 | 9,928.61 | 51.10 | 51.10 | 2,67,717.06 | 2,33,235.20 |
| Segment Liabilities | 58,988.57 | 79,895.37 | 3,677.16 | 2,586.71 | - | - | 62,665.73 | 82,482.08 |
| Capital Expenditure | 4,709.06 | 1,977.19 | 68.56 | 231.04 | - | - | 4,777.62 | 2,208.23 |
| Depreciation/Amortisation | 11,788.38 | 13,647.83 | 147.18 | 184.96 | - | - | 11,935.56 | 13,832.79 |

*Intersegmental Revenue during the year was ₹ Nil (Previous years ₹ Nil)

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 48 EVENT OCCURRING AFTER BALANCE SHEET DATE | | |
| Dividend proposed to be distributed | | |
| Dividend proposed for equity share holders @ ₹ 10/- per share (Previous Year ₹ 6/- per share) | 6604.89 | 3,962.93 |

Note 49

As per Ind AS 41 on "Agriculture" the company has fair valued its matured crops except for the crops fully matured at its Kuluwali plantation, Karnataka, since there is an on-going litigation and same will be accounted in the books of accounts upon the final disposal of the case.

Note 50 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES

[a] Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with schedule VII are as below :

| Particulars | For the year ended | |
|---|--------------------|---------|
| | 2022-23 | 2021-22 |
| a Gross amount required to be spent by the company (Budget) | 351.93 | 403.77 |
| b Amount required to be set off for the financial year | 2.45 | |
| c Gross amount required to be spent by the company (Obligation) | 349.48 | 403.77 |
| d Amount spent during the year | 351.21 | 406.22 |
| e Excess Amount spent during the year | 1.73 | 2.45 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

[b] Details of ongoing projects along with :

As per Sec.135(6) (Ongoing Project)

| Opening Balance | | Amount required to be spent during the year | Amount spent during the year | | Closing Balance | |
|-----------------|-----------------------------|---|------------------------------|-------------------------------|-----------------|-----------------------------|
| With Company | In Separate CSR unspent A/c | | From Company's A/c | From Separate CSR unspent A/c | With Company | In Separate CSR unspent A/c |
| - | 144.71 | - | - | 70.82 | - | 73.89 |

Note 51 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, are given below :

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| a Principal amount remaining unpaid to suppliers at the end of the year | 1411.54 | 1116.80 |
| b Interest due thereon remaining unpaid to suppliers at the end of the year | - | - |
| c The amount of interest paid along with the amounts of the payment made to suppliers beyond the appointed day | - | - |
| d The amount of interest due and payable | - | - |
| e The amount of interest accrued and remaining unpaid at the end of accounting year | - | - |
| | 1411.54 | 1116.80 |

Note 52 OTHER DISCLOSURE REQUIRED BY STATUTE

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Auditor's Remuneration (including taxes) | | |
| 1. Statutory Auditors | | |
| i. Audit fees | 18.00 | 18.00 |
| ii. Limited review under listing agreement | 7.00 | 7.00 |
| iii. Taxation matters | 5.00 | 5.00 |
| iv. Other services | 3.00 | 0.00 |
| v. Reimbursement of expenses | 3.75 | 3.45 |
| | 36.75 | 33.45 |
| 2. Cost Auditors | | |
| i. Audit fee | 1.20 | 1.20 |
| ii. Reimbursement of expenses | 0.17 | 0.00 |
| | 1.37 | 1.20 |

Statutory Reports

Standalone Financials

Consolidated Financials



Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Note 53 INCOME TAX

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| a. Amount recognised in Statement of Profit and Loss | | |
| Current Income Tax | | |
| - Current Year | 22,692.53 | 4,495.45 |
| - MAT Credit Entitlement / reversed | (18.54) | - |
| Total | 22,673.99 | 4,495.45 |
| Deferred Tax | (1,450.29) | (1,860.76) |
| Income Tax Expense reported in the Statement of Profit and Loss | 21,223.70 | 2,634.69 |
| b. Reconciliation of effective tax rate | | |
| Profit Before Tax | 79,936.16 | 24,443.56 |
| Tax At applicable Statutory Income Tax Rate | 27,932.89 | 8,541.70 |
| Effect of Various Disallowance of expenses | 370.99 | 241.69 |
| Effect of Deduction under chapter VIA of IT Act | (6,530.04) | (6,396.81) |
| Effect of reinstatement on Ind AS adoption | 210.69 | 180.77 |
| Effect of Ins AS Adjustments to reduce DTL | (151.56) | (233.59) |
| Effect of timing differences in Depreciation | 120.66 | 96.20 |
| Other Differences | (729.93) | 204.73 |
| Tax Expense recognised in Statement of Profit & Loss | 21,223.70 | 2,634.69 |

Note 54 INFORMATION RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (IND AS 110)

The company is listed on stock exchange in India. The Company has prepared consolidated financial statements as required under Ind AS 110, Section 129 of Companies Act, 2013 and listing requirements. The consolidated financial statements are available on Company's website for public use.

Note 55 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**Categories of Financial Instruments****Financial Assets**

| Sl. No | Particulars | Note | As at | | | |
|----------|---|------|----------------|--------------|----------------|--------------|
| | | | March 31, 2023 | | March 31, 2022 | |
| | | | Carrying Value | Fair Value * | Carrying Value | Fair Value * |
| 1 | Financial Assets Designated at Fair Value through Profit or Loss | | | | | |
| i) | Derivatives - not designated as hedging instruments | | - | - | - | - |
| ii) | Investment in Equity Shares | 7 | 64.95 | 64.95 | 70.21 | 70.21 |
| iii) | Investment in Mutual Funds | 7 | 17,712.58 | 17,712.58 | 6,814.03 | 6,814.03 |
| 2 | Financial Assets designated at Fair Value through Other Comprehensive Income | | | | | |
| i) | Investment in Equity Shares | | 1,143.98 | 1,143.98 | - | - |
| 3 | Financial Assets designated at Amortised Cost | | | | | |
| i) | Investment in Bonds | 7 | 23,408.95 | 23,408.95 | 2,040.19 | 2,040.19 |
| ii) | Investment in Government securities | 7 | 0.10 | 0.10 | 0.10 | 0.10 |
| iii) | Trade receivables | 14 | 18,517.13 | 18,517.13 | 13,357.89 | 13,357.89 |
| iv) | Cash and Cash Equivalents | 15 | 1,459.33 | 1,459.33 | 135.29 | 135.29 |
| v) | Other Bank Balances | 16 | 1,261.20 | 1,261.20 | 370.71 | 370.71 |
| vi) | Loans to Subsidiary/employees | 8 | 2,289.05 | 2,289.05 | 604.26 | 604.26 |
| vii) | Other Financial Assets | 9 | 1,247.10 | 1,247.10 | 848.16 | 848.16 |
| 4 | Investment in subsidiary company | 7 | 91,209.48 | 91,209.48 | 91,161.93 | 91,161.93 |

* There are no Financial Assets or Liabilities which fall under level 2 & 3.

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Financial Liabilities

| Sl. No | Particulars | Note | As at | | | |
|----------|--|-------|----------------|-------------|----------------|-------------|
| | | | March 31, 2023 | | March 31, 2022 | |
| | | | Carrying Value | Fair Value* | Carrying Value | Fair Value* |
| 1 | Financial Liability Designated at Fair Value through Profit or Loss | | | | | |
| i) | Derivatives - not designated as hedging instruments | | - | - | - | - |
| 2 | Financial Liability designated at Amortised Cost | | | | | |
| i) | Borrowings | 20,24 | 15,331.74 | 15331.74 | 39,156.75 | 39156.75 |
| ii) | Trade payables | 25 | 10,467.26 | 10467.26 | 10,923.46 | 10923.46 |
| iii) | Other financial liabilities | 22 | 17,134.83 | 17134.83 | 13,331.24 | 13331.24 |
| iv) | Lease Liabilities | 21 | 2,065.16 | 2065.16 | 2,314.93 | 2314.93 |

*The fair value of financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note 56 FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND DISCLOSURES

1 Financial Risk

The company's operational activities expose to various financial risks i.e., market risk, credit risk and risk of liquidity. The company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a Foreign currency risk and sensitivity

The primary market risk to the company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposure and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuation in foreign currency exchange rate(s).

| Particulars | USD / EURO outstanding in terms of ₹ Lakhs | |
|---------------------------------|--|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Financial Assets | | |
| Trade receivables | 628.25 | 49.30 |
| Financial Liabilities | | |
| Trade payables | 445.64 | 58.84 |
| Borrowings | 4,354.44 | 8,709.03 |
| Interest Accrued but not due | 23.76 | 42.59 |
| Net Assets / Liabilities | 4,195.59 | 8,761.16 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

The following significant exchange rates have been applied;

(Currency in ₹)

| Particulars | As at | |
|-------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| USD | 82.17 | 75.79 |
| Euro | 89.44 | 84.22 |

Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upto conversion into functional currency, due to exchange rate fluctuation between the previous reporting period and the current reporting period.

0.25% increase and decrease in foreign exchanges rates will have the following impact on profit before tax

| Particulars | 2022-23 | | 2021-22 | |
|------------------------|----------------|----------------|----------------|----------------|
| | 0.25% increase | 0.25% decrease | 0.25% increase | 0.25% decrease |
| USD / EURO Sensitivity | (10.49) | 10.49 | (21.90) | 21.90 |

Summary of Exchange difference accounted in Statement of Profit and Loss :

| | For the year ended | |
|---|--------------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Currency fluctuations | | |
| Net foreign exchange (gain)/ losses shown as operating expenses | 35.55 | (61.43) |
| Net foreign exchange (gain)/ losses shown as Finance Cost | 41.57 | (390.79) |
| Net foreign exchange (gain)/ losses shown as Other Income | - | - |
| Derivatives | | |
| Currency forwards (gain) / losses shown as operating expenses | - | - |
| Interest rate swaps (gain) / losses shown as finance cost | - | - |
| Net foreign exchange (gain)/ losses shown as Other Income | - | - |
| Total | 77.12 | (452.22) |

b. Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Interest rate risk exposure

| Particulars | For the year ended | | | |
|--------------------------|--------------------|-------------|-----------------|-------------|
| | March 31, 2023 | | March 31, 2022 | |
| Fixed rate borrowings | - | - | - | - |
| Variable rate borrowings | 4,354.44 | 100% | 8,709.03 | 100% |
| Total | 4,354.44 | 100% | 8,709.03 | 100% |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Sensitivity on variable rate borrowings

| Particulars | Impact on Profit and Loss A/c | | Impact on Equity | |
|---------------------------------|-------------------------------|----------------|------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Interest rate increase by 0.25% | (10.89) | (21.77) | (10.89) | (21.77) |
| Interest rate decrease by 0.25% | 10.89 | 21.77 | 10.89 | 21.77 |

ii Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances / deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 15,086.23 Lakhs and ₹ 9,570.82 Lakhs as of March 31, 2023 and March 31, 2022, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

| Particulars | For the year ended | |
|---------------------------------|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Revenue from top customer | 5.22% | 6.55% |
| Revenue from top five customers | 22.37% | 24.63% |

a Credit risk exposure

The allowance for life time expected credit loss on customer balances for the year ended 31st March 2023 was ₹ 492.13 Lakh.

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Balance at the beginning | 452.22 | 514.73 |
| Impairment loss reversed | 0.00 | (62.51) |
| Additional provision created during the year | 39.91 | - |
| Balance at end | 492.13 | 452.22 |

b Ageing analysis of Trade Receivables (Unsecured)

| Particulars | As at March 31, 2023 | | | | As at March 31, 2022 | | | |
|-------------|----------------------|---------------|---------------|-----------------|----------------------|---------------|---------------|-----------------|
| | Not due | Upto 6 months | 6 - 12 months | Above 12 months | Not due | Upto 6 months | 6 - 12 months | Above 12 months |
| Unsecured | 13,340.59 | 1,200.77 | 21.63 | 523.24 | 5,891.21 | 2,818.72 | 287.69 | 573.20 |

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

iii Liquidity Risk

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31, 2023.

| Particulars | Carrying amount | Less than 1 Year | 1 - 5 Years | More than 5 Years | Total |
|--|-----------------|------------------|-------------|-------------------|-----------|
| Borrowings - Current | 8,903.06 | 8,903.06 | - | - | 8,903.06 |
| Borrowings - Non-current | 6,428.68 | - | 6,428.68 | - | 6,428.68 |
| Trade payables | 10,467.26 | 10,467.26 | - | - | 10,467.26 |
| Lease Liability - Current | 370.42 | 370.42 | - | - | 370.42 |
| Lease Liability - Non-current | 1,694.74 | - | 1,481.68 | 213.06 | 1,694.74 |
| Other financial liabilities | | | | | |
| a) Interest accrued but not due on loans | 33.44 | 33.44 | - | - | 33.44 |
| b) Deferred Government Grant | 1,166.83 | 522.08 | 644.75 | - | 1,166.83 |
| c) Unpaid dividend | 142.61 | 142.61 | - | - | 142.61 |
| d) Other financial liabilities | 12,971.52 | 12,971.52 | - | - | 12,971.52 |
| e) Payable on purchase of fixed assets | 47.91 | 47.91 | - | - | 47.91 |
| f) Trade deposits | 4,081.96 | - | 4,081.96 | - | 4,081.96 |

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022.

| Particulars | Carrying amount | Less than 1 Year | 1 - 5 Years | More than 5 Years | Total |
|--|-----------------|------------------|-------------|-------------------|-----------|
| Borrowings - Current | 16,646.07 | 16,646.07 | - | - | 16,646.07 |
| Borrowings - Non-current | 22,510.69 | - | 22,510.69 | - | 22,510.69 |
| Trade payables | 10,923.46 | 10,923.46 | - | - | 10,923.46 |
| Lease Liability - Current | 329.58 | 329.58 | - | - | 329.58 |
| Lease Liability - Non-current | 1,985.35 | - | 1,318.32 | 667.03 | 1,985.35 |
| Other financial liabilities | | | | | |
| a) Interest accrued but not due on loans | 45.60 | 45.60 | - | - | 45.60 |
| b) Deferred Government Grant | 1,687.48 | 520.65 | 1,166.83 | - | 1,687.48 |
| c) Unpaid dividend | 115.89 | 115.89 | - | - | 115.89 |
| d) Other financial liabilities | 8,709.61 | 8,709.61 | - | - | 8,709.61 |
| e) Payable on purchase of fixed assets | 16.54 | 16.54 | - | - | 16.54 |
| f) Trade deposits | 4,559.49 | - | 4,559.49 | - | 4,559.49 |

2 Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

3 Capital risk management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

| Particulars | March 31, 2023 | March 31, 2022 |
|--|--------------------|--------------------|
| Borrowings | 15,331.74 | 39,156.75 |
| Less: Cash and Cash equivalents including bank balance | 1,459.33 | 135.29 |
| Less: Current investments | 34,673.27 | 8,954.22 |
| Net Debt | (20800.86) | 30,067.24 |
| Equity | 2,05,051.33 | 1,50,753.12 |
| Capital and Net Debt | 1,84,250.47 | 1,80,820.36 |
| Gearing Ratio {Net debt / Capital and net debt} | (11.29)% | 16.63% |

Note 57 DERIVATIVE FINANCIAL INSTRUMENTS

- a The company has variable interest foreign currency borrowings, to offset the risk of variation in interest rates, the company has entered into, fix pay and variable receipt, interest rate swaps. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

| Particulars | March 31, 2023 | | March 31, 2022 | |
|-------------|----------------|----------------|----------------|----------------|
| | FC in Mn | MTM in ₹ Lakhs | FC in Mn | MTM in ₹ Lakhs |
| US Dollar | 0 | - | 1.81 | (48.57) |
| EURO | 4.87 | 254.25 | 15.05 | 292.66 |
| | 4.87 | 254.25 | 16.86 | 244.09 |

- b Foreign currency exposure not hedged as at the Balance Sheet date

The foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

| Particulars | March 31, 2023 | | March 31, 2022 | |
|-------------|----------------|-----------------|----------------|------------------|
| | FC in Mn | MTM in ₹ Lakhs | FC in Mn | MTM in ₹ Lakhs |
| US Dollar* | 2.70 | 2,254.08 | 3.67 | 2,821.61 |
| Euro | 4.87 | 4,354.32 | 8.76 | 7,380.33 |
| | 7.57 | 6,608.40 | 12.44 | 10,201.94 |

* Net of receivables - US Dollar Nil - ₹ Nil Lakhs (Previous Year US Dollar 0.06 Million - ₹ 4.77 Lakhs)

Note 58 LEASES

Impact of Ind AS 116 on the statement of profit and loss :

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Interest on lease liabilities | 197.14 | 218.82 |
| Depreciation on right of use assets | 402.36 | 353.30 |
| Less: Lease rentals paid | 532.09 | 468.70 |
| Impact on the statement of profit and loss for the year | 67.41 | 103.42 |



Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Note 59 DISCLOSURE OF VARIOUS RATIOS

| Particulars | For the year ended | | Variance |
|--|--------------------|----------------|----------|
| | March 31, 2023 | March 31, 2022 | |
| Current Ratio (Times) (Refer Note 1 below) [Current assets / Current liabilities excluding current maturity of long term debts] | 2.62 | 1.65 | 58.79% |
| Debt Equity Ratio (Times) (Refer Note 2 below) [Total Debt/ Total Equity] | 0.08 | 0.27 | (70.37)% |
| Debt service coverage ratio (Times) (Refer Note 2 below) [EBITDA / (Interest expenses + Repayment of Long-term borrowings)] | 3.00 | 1.09 | 175.23% |
| Return on Equity Ratio (%) (Refer Note 3 below) [Net profit After Taxes/Average Shareholders Equity] | 33.00% | 15.54% | 112.36% |
| Inventory Turnover (Times - annualised) [Revenue from operations / Average inventory] | 10.08 | 8.16 | 23.53% |
| Trade Receivables turnover ratio (Times - Annualised) [Revenue from operations / Average trade receivables] | 17.63 | 15.32 | 15.08% |
| Trade payables turnover ratio (Times - Annualised) (Refer Note 4 below) [Net Credit purchases / Average Trade payables] | 17.00 | 11.04 | 53.99% |
| Net capital turnover ratio (Refer Note 3 below) [Net Sales/Working capital] | 4.29 | 9.06 | (52.65)% |
| Net Profit Margin (%) (Refer Note 3 below) [PAT / Revenue from operations] | 20.89% | 10.99% | 90.08% |
| Return on Capital employed (%) (Refer Note 3 below) [Earning before interest & Tax/Capital employed] | 41.34% | 17.43% | 137.18% |
| Return on investment (%) (Refer Note 5 below) [Earnings from Invested Funds / Average Invested Funds in treasury investments] | 5.95% | 4.30% | 38.37% |

Reasons for variances are as follows :

1. Current Ratio has improved due to higher profits as well as repayment of debts during the year.
2. Debt Equity ratio & debt service coverage ratio improved due to repayments of debts & substantially higher EBIDTA during the year.
3. Return on Equity, Net Profit Margin, Net Capital Turnover Ratio and return on Capital Employed Ratios have improved due to higher revenues and profits during the year.
4. The trade payable ratio improved during the year due to improved profitability & cash flow management.
5. Return on Investment Ratio improved during the year due to higher return and investment.

Note 60 OTHER STATUTORY INFORMATION

- a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall;
 - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - ii. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Notes to Standalone Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

- d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall,
- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - ii. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search, survey or any other relevant provisions of the Income Tax Act, 1961)
- f) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction of number of layers) Rules, 2017.
- g) The Company is not declared wilful defaulter by any bank or financial institutions or lender during the year.
- h) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- i) Quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.
- j) The company has not carried out revaluation of items of Property, Plant & Equipment during the year and accordingly the disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- k) The Company has used the borrowings from banks and financial statements for the specific purpose for which it was obtained.
- l) The title deeds of all immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in progress are held in the name of the Company as at the balance sheet date.
- m) The Company does not have any transactions with companies which are struck off under Section 288 of the Companies Act 2013 or Section 560 of Companies Act, 1956 during the financial year.

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Note 61

Previous year's figures have been regrouped and reclassified wherever necessary.

Note 62

The financial statements are approved and adopted by Board of Directors of the Company in their meeting held on May 19, 2023.

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
M.No. 204936
Place: Dandeli
Date : May 19, 2023

For and on behalf of the Board

S. K. Bangur
Chairman & Managing Director

Virendraa Bangur
Joint Managing Director

Rajendra Jain
Executive Director & CFO

Brajmohan Prasad
Company Secretary

Form AOC - I *(contd.)*

(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 statement of Subsidiaries/ associate companies / joint ventures

Part - "A" : Subsidiaries

(₹ In Lakhs)

| Sl. No. | Particulars | West Coast Opticable Limited |
|---------|--|------------------------------|
| 1 | Financial Year ended on | 31st March, 2023 |
| 2 | Reporting Currency | Indian Rupees |
| 3 | Share Capital | 1.99 |
| 4 | Reserve & Surplus / (Accumulated Losses) | 417.27 |
| 5 | Total Assets | 1,455.59 |
| 6 | Total Liabilities | 1,036.32 |
| 7 | Investments | - |
| 8 | Total Turnover | 2,190.18 |
| 9 | Profit / (Loss) before tax | 201.47 |
| 10 | Provision for Income Tax | 81.09 |
| 11 | Profit / (Loss) after tax | 120.38 |
| 12 | Proposed Dividend | - |
| 13 | % of Shareholding | 100% |

| Sl. No. | Particulars | Andhra Paper Limited |
|---------|--|----------------------|
| 1 | Financial Year ended on | 31st March, 2023 |
| 2 | Reporting Currency | Indian Rupees |
| 3 | Share Capital | 3,977.00 |
| 4 | Reserve & Surplus / (Accumulated Losses) | 1,54,240.06 |
| 5 | Total Assets | 2,00,469.83 |
| 6 | Total Liabilities | 42,252.77 |
| 7 | Investments | 88,661.80 |
| 8 | Total Turnover | 2,09,765.60 |
| 9 | Profit / (Loss) before tax | 70,098.28 |
| 10 | Provision for Income Tax | 17,852.02 |
| 11 | Profit / (Loss) after tax | 52,246.26 |
| 12 | Proposed Dividend | - |
| 13 | % of Shareholding | 72.24% |

Form AOC - I (contd.)**Part - "B" : Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies**

(₹ In Lakhs)

| Sl. No. | Particulars | Speciality Coatings & Lamination Limited |
|---------|---|--|
| 1 | Financial Year / period ended on | 31st March, 2023 |
| 2 | Shares of Associate held by the company on the year end | |
| | a. Number of Equity Shares | 18,50,130 |
| | b. Amount of investment in Associate * | - |
| | c. Extent of holding % | 37.33% |
| 3 | Description of how there is significant influence | Based on shareholding |
| 4 | Reason why the associate is not considered for consolidation* | - |
| 5 | Net worth attributable to Shareholding as per latest Un-audited Balance Sheet | (185.88) |
| 6 | Loss for the year | (2.22) |
| | i) Considered in consolidation | Nil |
| | ii) Not considered in consolidation | (2.22) |

* Investment value is ₹ 185.01 Lakhs which was fully impaired in earlier years.

For and on behalf of the Board

S. K. Bangur
Chairman & Managing Director

Virendraa Bangur
Joint Managing Director

Rajendra Jain
Executive Director & CFO

Brajmohan Prasad
Company Secretary

Place: Dandeli
Date : May 19, 2023

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Independent Auditor's Report

To the Members of
West Coast Paper Mills Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **West Coast Paper Mills Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise of the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of subsidiaries as was audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit including other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters | How our audit addressed the Key Audit Matter |
|--|---|
| 1. Revenue Recognition (Refer note no. 1 (III)) | (G) and 28 to Consolidated Financial Statements) |
| Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer. We focused on this area as a key audit matter as the value is significant and inherent risk exists of revenue being recognized before the control is transferred, including risk of incorrect timing of estimation related to recording the discounts and rebates. | As part of our audit procedures, we: <ul style="list-style-type: none"> ✓ Read the Group's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115. ✓ Evaluated the design, tested the implementation and operating effectiveness of the Group's internal controls including general IT controls and key IT application controls over recognition of revenue. ✓ On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents. |

Independent Auditor's Report *(Contd.)*

| | |
|--|---|
| | <ul style="list-style-type: none"> ✓ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents. ✓ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115. |
|--|---|

2. Provision and contingent liability related to taxation, litigation and claims (Refer note no. 39 to Consolidated Financial Statements)

| | |
|--|--|
| <p>The Group has ongoing litigations with various regulatory and tax authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its reliable estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.</p> <p>Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter</p> | <p>As part of our audit procedures, we:</p> <ul style="list-style-type: none"> ✓ Obtained an understanding of management's process to identify new obligations and changes in existing obligations for compliance with Ind AS 12 – Income taxes and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets. ✓ analysed significant changes in material provisions from prior periods and obtained a detailed understanding of these changes and assumptions applied. ✓ Our audit procedures related to material provisions recognised and contingent liabilities disclosed in the Consolidated financial statements included: <ul style="list-style-type: none"> ● Assessment of the recognition criteria for the liability; ● Evaluation of the methodology adopted by management for the measurement of the liability; ● Assessment of the other key measurement assumptions and inputs. ● We have obtained opinions and confirmations from internal /external experts and legal counsel, where necessary, which we have relied upon. ✓ We reviewed the minutes of the Board meetings including other committees to evaluate the process and controls over obligations operated by management. ✓ Testing of the mathematical accuracy of the measurement calculation; ✓ We assessed the appropriateness of the presentation of the most significant contingent liabilities in the financial statements. |
|--|--|

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

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, 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.

Independent Auditor's Report *(Contd.)*

Responsibilities of the Management for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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 Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities 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 scepticism 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 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 the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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

Independent Auditor's Report *(Contd.)*

to the date of our Auditor's Report. However, future events or conditions may cause the Group (Holding Company and Subsidiaries) 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 such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

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 believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company 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 Matter

We did not audit the financials statements of 2 subsidiaries whose financial statements includes total assets of ₹2,01,925.42 Lakhs as at March 31, 2023, total revenues of ₹ 2,11,955.78 Lakhs for the year ended March 31, 2023 and net cash inflow of ₹ (-) 422.40 Lakhs for the year ended March 31, 2023, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, are based solely on the reports of the other auditor.

Our opinion on the Consolidated Financial Statements 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), to report on the matters



Independent Auditor's Report *(Contd.)*

specified in paragraphs 3 and 4 of the Order, to the extent applicable, we report that there have not been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in these consolidated financial statements.

2. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, 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 and the report of the other auditor.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the matter to be included in the Auditor's Report under section 197(16): In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary companies, where applicable, to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under section 197 of the Act,
 - h) 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, in our opinion and 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 on separate financial statements of the subsidiaries as noted in the 'Other Matters' paragraph:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 39 to the Consolidated Financial Statements;
 - ii. The Group has accounted for material foreseeable losses, if any, for long-term contracts including derivative contracts, during the year end March 31, 2023.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023;
 - iv. The Management has represented that, to the best of its knowledge and belief:
 - (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies) including

Independent Auditor's Report *(Contd.)*

foreign entities ("Intermediaries") with the understanding, recorded in writing or otherwise, that the intermediary shall, either directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) No funds have been received by the Group from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, recorded in writing or otherwise, that the Group shall, either directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on audit procedures, as considered reasonable and appropriate in the circumstances, performed by us and the auditors of the subsidiaries, we report that nothing has come to our notice that has caused us to believe that the representations as above contain any material mis-statement.
 - v. The dividend declared or paid during the year as well as the dividend proposed (which is subject to members approval at the ensuing Annual General Meeting) by the Holding Company and its Indian subsidiaries are in compliance with Section 123 of the Act.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of the respective companies included in the consolidated financial statements tabulated below is the extract of adverse comments reported in audit report of a Subsidiary:

| Name | CIN | Nature of relationship | Clause no of CARO Report |
|----------------------|-----------------------|------------------------|--------------------------|
| Andhra Paper Limited | L21010AP1964PLC001008 | Subsidiary Company | Paragraph 3 (ii) (a) |

For **Singhi & Co.,**
Chartered Accountants
Firm Registration no: 302049E

Sudesh Choraria
Partner

Membership no: 204936
UDIN: 23204936BGYISC3541

Date: May 19,2023
Place: Mumbai

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Annexure – A

to the Independent Auditor's Report

Report on the internal financial controls with reference to the aforesaid Consolidated Financial Statements under section 143(3)(i) of the Companies Act, 2013

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

In conjunction with our audit of the Consolidated Financial Statements of West Coast Paper Mills Limited ('the Holding Company') as of and for the year ended 31st March 2023, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporate in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 with reference to Consolidated Financial Statements were 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 Consolidated 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 internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to Consolidated Financial Statements are 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 controls with reference to Consolidated Financial Statements 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.

Annexure – A

to the Independent Auditor's Report *(Contd.)*

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements 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, the Holding Company and its subsidiary companies incorporated in India have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid reports are 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 subsidiaries, which are incorporated in India, is based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

Date: May 19,2023
Place: Mumbai

For **Singhi & Co.,**
Chartered Accountants
Firm Registration no: 302049E
Sudesh Choraria
Partner
Membership no: 204936
UDIN: 23204936BGYISC3541

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Consolidated Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

| | Note | As at | |
|---|------|--------------------|--------------------|
| | | March 31, 2023 | March 31, 2022 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 1,33,795.62 | 1,42,226.99 |
| Capital Work in Progress | 5 | 5,327.92 | 2,175.46 |
| Right of use Assets | 2 | 2,747.00 | 3,215.58 |
| Goodwill | 3 | 18,371.29 | 18,371.29 |
| Intangible Assets | 3 | 10,250.40 | 11,204.45 |
| Intangible Assets under development | 4 | 144.76 | - |
| Biological Assets other than bearer plants | 6 | 733.43 | 674.34 |
| Financial Assets: | | | |
| i. Other Investments | 7 | 27,137.53 | 13,893.23 |
| ii. Loans | 8 | 1,000.00 | - |
| iii. Other Financial Assets | 9 | 1,053.09 | 662.56 |
| Current Tax Assets (Net) | 10 | 1,225.05 | 475.89 |
| Deferred Tax Assets (Net) | 11 | 1,049.04 | 8,418.09 |
| Other Non-Current Assets | 12 | 8,243.23 | 4,244.42 |
| Total Non-Current Assets | | 2,11,078.37 | 2,05,562.30 |
| Current Assets | | | |
| Inventories | 13 | 49,231.14 | 39,577.52 |
| Financial Assets : | | | |
| i. Investments | 7 | 1,03,854.83 | 33,300.29 |
| ii. Trade Receivables | 14 | 33,230.49 | 24,229.31 |
| iii. Cash and Cash Equivalents | 15 | 3,609.34 | 2,616.29 |
| iv. Other Bank Balances | 16 | 3,894.70 | 3,397.85 |
| v. Loans | 8 | 2,686.07 | 10,596.60 |
| vi. Other Financial Assets | 9 | 904.70 | 1,125.40 |
| Other Current Assets | 17 | 9,826.06 | 13,742.96 |
| Assets classified as held for sale | 18 | - | 129.68 |
| Total Current Assets | | 2,07,237.33 | 1,28,715.90 |
| Total Assets | | 4,18,315.70 | 3,34,278.20 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 19 | 1,320.98 | 1,320.98 |
| Other Equity | 20 | 2,56,753.97 | 1,67,299.69 |
| Non-Controlling Interest | 20 | 48,383.33 | 34,882.55 |
| Total Equity | | 3,06,458.28 | 2,03,503.22 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities : | | | |
| i. Borrowings | 21 | 6,957.59 | 23,508.55 |
| ii. Lease liabilities | 22 | 2,359.07 | 2,779.63 |
| iii. Other Financial Liabilities | 23 | 4,856.76 | 5,915.77 |
| Deferred Tax Liabilities (net) | 24 | 9,970.52 | 10,944.54 |
| Other Non-Current Liabilities | 25 | 8,380.16 | 7,974.55 |
| Provisions | 29 | 1,054.14 | 762.46 |
| Total Non-Current Liabilities | | 33,578.24 | 51,885.50 |
| Current Liabilities | | | |
| Financial Liabilities : | | | |
| i. Borrowings | 26 | 13,274.95 | 21,078.86 |
| ii. Lease Liabilities | 22 | 512.16 | 467.21 |
| iii. Trade Payables | | | |
| a) Total outstanding dues of micro and small enterprises | 27 | 3,580.37 | 3,674.01 |
| b) Total outstanding dues of creditors other than micro and small enterprises | 27 | 26,901.78 | 23,869.68 |
| iv. Other Financial Liabilities | 23 | 17,339.46 | 12,969.52 |
| Other Current Liabilities | 28 | 8,192.26 | 7,616.24 |
| Provisions | 29 | 8,478.20 | 9,213.96 |
| Total Current Liabilities | | 78,279.18 | 78,889.48 |
| Total Equity and Liabilities | | 4,18,315.70 | 3,34,278.20 |
| Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the Consolidated financial statements.

As per our Report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Sudesh Choraria

Partner

M.No. 204936

Place: Dandeli

Date : May 19, 2023

S. K. Bangur

Chairman & Managing Director

Virendraa Bangur

Joint Managing Director

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

| | Note | For the year ended | |
|--|------|--------------------|--------------------|
| | | March 31, 2023 | March 31, 2022 |
| REVENUE | | | |
| Revenue from Operations | 30 | 4,91,198.08 | 3,36,803.91 |
| Revenue from Trading Operations | 31 | 878.19 | 963.08 |
| Other Income | 32 | 7,756.65 | 5,822.26 |
| Total Income | | 4,99,832.92 | 3,43,589.25 |
| EXPENSES | | | |
| Cost of Materials Consumed | 33 | 2,06,317.13 | 1,64,159.01 |
| Purchases of Stock in Trade | 34 | 750.36 | 780.05 |
| Changes in Inventories of Finished Goods & Work in Progress | 35 | (2,848.66) | 4,709.72 |
| Employee Benefits Expense | 36 | 36,668.43 | 35,861.10 |
| Finance Costs | 37 | 3,707.29 | 5,869.73 |
| Depreciation and Amortization Expense | 38 | 18,947.01 | 21,253.05 |
| Other Expenses | 39 | 86,970.07 | 68,916.26 |
| Total Expenses | | 3,50,511.63 | 3,01,548.92 |
| Profit / (Loss) Before Exceptional Items and Tax | | 1,49,321.29 | 42,040.33 |
| Exceptions Items (Refer Note 65) | | (1,538.37) | - |
| Profit / (Loss) Before Tax | | 1,47,782.92 | 42,040.33 |
| Income Tax Expense | 40 | | |
| Current Tax | | 41,427.42 | 10,193.57 |
| MAT Credit (Entitlement) / Reversal | | (18.54) | - |
| Deferred Tax | | (2,327.17) | (2,741.31) |
| Total Tax Expenses | | 39,081.71 | 7,452.26 |
| Profit / (Loss) for the period from Continuing Operations | | 1,08,701.21 | 34,588.07 |
| Other Comprehensive Income | 20 | | |
| Items that will not be reclassified to Profit or Loss | | | |
| (a) Remeasurement of Employees Benefit Obligations | | (459.95) | (527.02) |
| (b) Equity Instruments through Other Comprehensive Income | | (740.58) | 29.00 |
| (c) Income Tax on above | | 293.62 | 161.92 |
| Other Comprehensive Income / (Loss) for the period (net of tax) | | (906.91) | (336.10) |
| Total Comprehensive Income / (Loss) for the year | | 1,07,794.30 | 34,251.97 |
| Net Profit / (Loss) attributable to : | | | |
| Owners | | 94,197.62 | 30,703.52 |
| Non-Controlling Interests | | 14,503.59 | 3,884.55 |
| | | 1,08,701.21 | 34,588.07 |
| Other Comprehensive Income / (Loss) attributable to : | | | |
| Owners | | (780.41) | (309.14) |
| Non-Controlling Interests | | (126.50) | (26.96) |
| | | (906.91) | (336.10) |
| Total Comprehensive Income / (Loss) attributable to : | | | |
| Owners | | 93,417.21 | 30,394.38 |
| Non-Controlling Interests | | 14,377.09 | 3,857.59 |
| | | 1,07,794.30 | 34,251.97 |
| Earnings per share (Basic / Diluted) (in ₹) | | 142.62 | 46.49 |
| Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the Consolidated financial statements.

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Sudesh Choraria

Partner

M.No. 204936

Place: Dandeli

Date: May 19, 2023

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Virendraa Bangur

Joint Managing Director

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary

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Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts of ₹ In Lakhs except share data and unless otherwise stated)

A. EQUITY SHARE CAPITAL

| Particulars | Balance at the beginning of the reporting year | | Changes in equity share capital during the year* | | Balance at the end of the reporting year | |
|--|--|-----------------|--|-----------------|--|-----------------|
| | No. of Shares | Amount in Lakhs | No. of Shares | Amount in Lakhs | No. of Shares | Amount in Lakhs |
| For the year ended March 31, 2022 | 6,60,48,908 | 1,320.98 | - | - | 6,60,48,908 | 1,320.98 |
| For the year ended March 31, 2023 | 6,60,48,908 | 1,320.98 | - | - | 6,60,48,908 | 1,320.98 |

*There were no changes in Equity Share Capital due to prior period errors.

B. OTHER EQUITY

| Particulars | Reserves & Surplus | | | | | | Other Comprehensive Income | Total attributable to owners of the Company | Attributable to Non Controlling Interest | Total |
|---|--------------------------|--------------------|----------------------------|--------------------------------|------------------|---|----------------------------|---|--|--------------------|
| | Security Premium Account | Retained Earnings | Capital Redemption Reserve | Equity Share warrant forfeited | General Reserve | Remeasurement of net defined benefit plan | | | | |
| Balance as on April 01, 2021 | 14,572.54 | 80,403.29 | 6,500.00 | 277.50 | 36,934.35 | (1,236.52) | 114.64 | 1,37,565.80 | 31,577.79 | 1,69,143.59 |
| Profit for the year | - | 30,703.52 | - | - | - | - | - | 30,703.52 | 3,884.55 | 34,588.07 |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | - | - | - | (325.28) | - | (325.28) | (33.17) | (358.45) |
| Dividends paid (including Dividend Distribution Tax) | - | (660.49) | - | - | - | - | - | (660.49) | (552.83) | (1,213.32) |
| Change in fair value of Equity instruments (net of tax) | - | - | - | - | - | - | 16.14 | 16.14 | 6.22 | 22.36 |
| Balance as on March 31, 2022 | 14,572.54 | 1,10,446.32 | 6,500.00 | 277.50 | 36,934.35 | (1,561.80) | 130.78 | 1,67,299.69 | 34,882.55 | 2,02,182.24 |
| Balance as on April 01, 2022 | 14,572.54 | 1,10,446.32 | 6,500.00 | 277.50 | 36,934.35 | (1,561.80) | 130.78 | 1,67,299.69 | 34,882.55 | 2,02,182.24 |
| Non-controlling interest on acquisition of subsidiary | - | - | - | - | - | - | - | - | (47.55) | (47.55) |
| Profit for the year | - | 94,197.62 | - | - | - | - | - | 94,197.62 | 14,503.59 | 1,08,701.21 |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | - | - | - | (257.12) | - | (257.12) | (22.45) | (279.58) |
| Remeasurement of equity instruments (net of tax) | - | - | - | - | - | - | (523.29) | (523.29) | (104.05) | (627.33) |
| Dividends paid (including Dividend Distribution Tax) | - | (3,962.93) | - | - | - | - | - | (3,962.93) | (828.76) | (4,791.69) |
| Balance as on March 31, 2023 | 14,572.54 | 2,00,681.00 | 6,500.00 | 277.50 | 36,934.35 | (1,818.92) | (392.51) | 2,56,753.97 | 48,383.34 | 3,05,137.30 |

The accompanying notes are an integral part of the consolidated financial statements.

As per our Report of even date

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
M.No. 204936

Place: Dandeli
Date : May 19, 2023

For and on behalf of the Board

S. K. Bangur
Chairman & Managing Director

Virendraa Bangur
Joint Managing Director

Rajendra Jain
Executive Director & CFO

Brajmohan Prasad
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended | |
|--|--------------------|------------------|
| | March 31, 2023 | March 31, 2022 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before Income Tax | 1,47,782.92 | 42,040.33 |
| Adjustments for: | | |
| Depreciation and Amortisation | 18,947.01 | 21,253.05 |
| Loss / (Gain) on disposal of Property, Plant and Equipment | 1,987.94 | 415.16 |
| Loss / (Gain) on Sale of Investments | (605.32) | (196.18) |
| Net (gain) on Financial Assets designated on FVTPL | (464.62) | (253.88) |
| Interest Income Classified as investing Cash Flows | (4,574.95) | (2,538.54) |
| Finance Costs | 3,665.72 | 6,260.51 |
| Government Grant Income | (578.74) | (578.74) |
| Provision for Doubtful Debts | 39.91 | 20.02 |
| Net Exchange Differences | 39.40 | (381.29) |
| Fair Value Adjustment in Investment | 5.27 | (17.30) |
| Gain on Termination of Lease | - | (56.42) |
| Liabilities & Provisions Written back | (794.77) | (1,664.02) |
| Total | 17,666.85 | 22,262.37 |
| Operating profit before Working Capital changes | 1,65,449.77 | 64,302.70 |
| Adjustments for : | | |
| (Increase) / decrease in Trade Receivables | (8,910.87) | (4,085.42) |
| (Increase) / decrease in Inventories | (9,712.70) | 1,660.82 |
| (Increase) / decrease in Other Financial Assets | 327.29 | (391.14) |
| (Increase) / decrease in Other Non-Current Assets | (1,705.38) | (356.49) |
| (Increase) / decrease in Other Current Assets | 3,833.70 | (2,290.06) |
| Increase / (decrease) in Trade Liabilities | 3,308.24 | 8,596.80 |
| Increase / (decrease) in Provisions | (255.00) | 799.51 |
| Increase / (decrease) in Current Tax Liabilities (Net) | (12.62) | - |
| Increase / (decrease) in Other Financial Liabilities | 3,982.56 | 1,904.18 |
| Increase / (decrease) in Non-Current Liabilities | 596.04 | (1,425.52) |
| Total | (8,548.74) | 4,412.68 |
| Cash generated from operations | 1,56,901.03 | 68,715.38 |
| Less: Income Tax paid | (33,129.58) | (9,659.25) |
| Net Cash Inflow / (Outflow) from Operating Activities | 1,23,771.45 | 59,056.13 |

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**Consolidated Cash Flow Statement** (Contd.)

for the year ended March 31, 2023

(₹ in Lakhs)

| Particulars | For the year ended | |
|---|--------------------|--------------------|
| | March 31, 2023 | March 31, 2022 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payments for Property, Plant and Equipment | (16,134.92) | (6,281.40) |
| Purchase of Intangible Assets | (146.58) | (4.82) |
| Proceeds from Sale of Property, Plant and Equipment | 208.22 | 64.90 |
| Purchase of Non-Current Investments | (31,078.27) | (15,643.11) |
| Proceeds from Sale of Non-Current Investments | 5,482.38 | 9,256.25 |
| Purchase of Current Investments | (3,73,578.62) | (95,062.50) |
| Proceeds from Sale of Current Investments | 3,14,226.54 | 76,652.28 |
| Investment in Subsidiaries | (47.56) | - |
| Inter-Corporate Deposits given | (7,936.00) | (13,735.00) |
| Inter-Corporate Deposits matured | 15,830.00 | 9,744.00 |
| Term / margin money deposits placed during the year | (1,992.10) | (2,721.22) |
| Term / margin money deposits matured during the year | 2,587.00 | 6,327.00 |
| Bank Deposits | (1,243.56) | 23.81 |
| Interest Received | 4,403.71 | 2,313.71 |
| Dividend Income Received | 20.15 | 0.14 |
| Net Cash inflow / outflow from Investing Activities | (89,399.62) | (29,065.96) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | - | 10,324.00 |
| Repayments of Long Term Borrowings | (21,644.79) | (31,581.41) |
| Proceeds / (repayment) of Short Term Borrowings (Net) | (3,027.25) | (50.09) |
| Interest and Finance Charges | (3,182.68) | (5,875.49) |
| Dividends paid to Company's Shareholders | (4,791.05) | (1,213.32) |
| Repayment of Lease Liability | (733.01) | (1,077.16) |
| Net cash inflow/ (outflow) from Financing Activities | (33,378.78) | (29,473.47) |
| Net increase / (decrease) in Cash and Cash Equivalents | 993.05 | 516.71 |
| Net increase / (decrease) in cash and cash equivalents during the year | 993.05 | 516.71 |
| Pursuant to acquisition of subsidiary | - | - |
| Cash and cash equivalents at the beginning of the Financial Year | 2,616.29 | 2,099.58 |
| Cash and cash equivalents at the end of the Financial Year | 3,609.34 | 2,616.29 |
| Reconciliation of Financial Liabilities - Borrowings | 2022-23 | 2021-22 |
| Opening Balance | 46,522.48 | 68,715.66 |
| Add: Proceeds of Borrowings | - | 10,324.00 |
| Less: (Repayment) of Borrowings | (21,644.79) | (31,581.41) |
| Less: Proceeds / (repayments) of Borrowings (Short Term) (Net) | (3,027.25) | (50.09) |
| Add / (Less): Non-Cash movement | (262.94) | (885.68) |
| | 21,587.51 | 46,522.48 |

The accompanying notes are an integral part of the Consolidated financial statements.

As per our Report of even date

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E**Sudesh Choraria**

Partner

M.No. 204936

Place: Dandeli

Date: May 19, 2023

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Virendraa Bangur

Joint Managing Director

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023

Note 1 – Company Overview, Basis of Preparation and Significant Accounting Policies

I. The Company Overview:

West Coast Paper Mills Limited, a Public Limited Company listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The registered office of the Parent Company is situated at Bangur Nagar, Dandeli 581325 District Uttar Kannada, Karnataka which was established in 1955. The Parent Company has two business activities: Paper & Paper Board at Dandeli and Optical Fibre Cable at Mysore. The Company's Dandeli Plant and one of its subsidiary is integrated Pulp & Paper Plant and produce various type of quality Paper & Paper Board. This caters to needs of innumerable industries in printing, writing, publishing, stationary, notebooks and packaging sectors in India. The Company strongly believes on Continuous Improvement in product quality, reduction in cost, and Environment Management. The Company is ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) and ISO 45001:2018 (OHSMS) Certified. The Company's Mysore Plant and one of its other subsidiary produces Optical Fibre Cable which cater requirement of telecom sector of India.

II. Basis of Preparation of Financial Statements:

a) Basis of Preparation:

The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiaries (collectively "the group") and its interest in associates. The Consolidated Financial Statements of the Group, are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under section 133 of the Companies Act, 2013, and the relevant provisions thereof. The financial statements of the subsidiary companies used in the preparation of the Consolidated financial statements have been drawn upto the same report date as that of the parent Company.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Group has prepared these Consolidated Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013.

b) Principles of consolidation and equity accounting:

i. Subsidiaries:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

ii. Associates:

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

c) Business Combination and Goodwill:

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred



Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

on acquisition-date, liabilities assumed and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Deferred tax asset or liability arising from a business combination are recognized in accordance with the requirements of Ind AS 12 "Income Taxes".

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognised as capital reserve.

d) **Functional and Presentation Currency:**

The Consolidated Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

e) **Use of Estimates:**

The preparation of the Financial Statements in conformity with the Ind AS requires Management to make estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities, disclosure of contingent liabilities as on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

f) **Classification of Assets and Liabilities as Current and Non-Current:**

All Assets and Liabilities have been classified as Current or Non-Current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Group and their realisation in cash and cash equivalent, the Group has determined its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

III. **Significant Accounting Policies:**

a) **Property, Plant and Equipments (PPE):**

PPE are stated at cost of acquisition (net of Cenvat & VAT / GST wherever applicable) or construction less accumulated depreciation and impairment loss, if any. Cost includes any directly attributable cost of bringing each asset to its working condition for intended use.

Assets under installation or under construction as at Balance Sheet date are shown as Capital work in progress together with project expenses.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Group, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised.

Decommissioning Liability:

Cost of PPE also includes the estimate of the costs of dismantling and removing the item and restoring the land back on vacant conditions at the end of lease period. The Group has estimated such costs being the present value of future liability for decommissioning. Such costs are capitalized and a provision of the equivalent amount

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

has been created. The provision is periodically increased by adding the interest cost at the IRR determined by the Group.

Disposal of Assets:

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated depreciation & impairment loss, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

b) Depreciation & Amortization:

The Parent Company and a subsidiary depreciates PPE over their estimated useful lives as per the provisions of the Schedule II of the Companies Act, 2013. The estimated useful lives of PPE are as follows:

| Sr. No. | Particulars | Useful Life | Method |
|---------|--|-------------|--------|
| 1. | Factory Buildings | 30 | WDV |
| 2. | Non Factory Buildings | 60 | WDV |
| 3. | Plant, Machinery & Equipments* | 05-20 | WDV |
| 4. | Furniture, Fixtures and office equipments* | 05-10 | WDV |
| 5. | Motor Vehicles | 08-10 | WDV |
| 6. | Computers & other IT Assets | 03 | WDV |
| 7. | Roads & Drainage* | 20 | WDV |
| 8. | Intangible Assets* | 03 | WDV |

*Based on technical evaluation, the Management believes that the useful lives as given above best represents the period over which Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

In case of one of the Subsidiary Andhra Papers Ltd (APL), the estimated useful lives of PPE determined are as follows:

| Sr. No. | Particulars | Useful Life | Method |
|---------|----------------------------------|-------------|--------|
| 1. | Building Free-hold – Factory | 30 | SLM |
| 2. | Building Free-hold – Residential | 60 | SLM |
| 3. | Plant & Machinery | 15-25 | SLM |
| 4. | Lease Hold Improvements | 4-8 | SLM |
| 5. | Furniture | 10 | WDV |
| 6. | Office Equipments | 5 | WDV |
| 7. | Vehicles | 8 | WDV |
| 8. | Software | 5-15 | SLM |

In respect of incremental cost arising on account of realized / notional gain / loss on foreign currency liability for acquisition of fixed assets, depreciation is provided over the remaining residual life of the respective assets.

Depreciation methods, useful lives and residual values are reviewed at least at the end of each financial year.

Assets individually costing Rs.5,000 and below are fully depreciated in the year of acquisition.



Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

c) Investment Properties:

Investment properties held to earn rentals or for capital appreciation or both are stated in the Balance Sheet at cost, less accumulated depreciation and subsequent impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss. Transfer to, or from, investment property is done at the carrying amount of the property.

d) Impairment of Non Financial Assets:

The carrying amounts of non financial assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on internal / external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

An impairment loss is recognized as an expense in the Statement of Profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting years is reversed if there has been a change in the estimate of recoverable amount.

e) Assets held for Sale:

The Group recognize Assets for Sale of those assets which are not in use and identified for sale / disposal. The same is valued at carrying amount net or realizable value whichever is lower.

f) Valuation of Inventories:

Inventories of raw materials, stores, spares, machinery parts, building materials, loose tools etc. are valued at weighted average cost, after providing for obsolescence, if any.

Work in process is valued at cost.

Finished goods & Stock-in-trade are valued at lower of cost or net realizable value.

The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion costs necessary to make the sale.

Stock of scrap is valued at realizable value.

Biological assets other than bearer plants which are matured and have market value are valued at fair value Biological Assets which are immature are valued at cost.

g) Revenue Recognition:

Revenue is recognized on transfer of significant risks and rewards of ownership to the buyer and are adjusted for discounts (net), taxes and foreign exchange differences. Turnover is net of Goods & Service Tax collected on behalf of the Government.

Revenue from contracts with customers is recognised in accordance with Ind AS 115, when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

Export Incentive Scheme Benefits are recognized on accrual basis.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Dividend income from investments purchased is recognised when the shareholder's right to receive payment has been established.

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

Insurance and other claims, to the extent considered recoverable, are accounted for in the year of claim.

h) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash on hand, Cash at Bank and demand deposits with banks which are subject to an insignificant risk of change in value.

i) Research and Development Expenditure:

Revenue expenditure on research & development is charged to Profit & Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

j) Employee Benefits:

Contribution to Provident Fund is accounted for on accrual basis. The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust is not lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is made good by the Company. Such shortfall on account of interest, if any, is recognized in the Statement of Profit and Loss.

Company's defined contributions made to Pension Fund of Government and Superannuation Scheme of Life Insurance Corporation of India are charged to the Statement of Profit and Loss on accrual basis.

Contribution to Gratuity Fund and provision for Leave Encashment is based on actuarial valuation carried out as on the Balance Sheet date as per Projected Unit Credit Method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains or losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income.

k) Earnings Per Share(EPS):

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

l) Foreign Currency Transactions:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the Statement of Profit & Loss.

Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition or construction of fixed assets, in which case they are adjusted to the carrying cost of such assets in accordance with the exemption under Para D13AA of Ind AS 101.



Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

m) Financial Instruments:

Financial Assets :

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt'

All Financial Assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Trade Receivables:

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised at transaction value and subsequently measured at transaction value less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Financial assets at Fair Value through Profit and Loss (FVTPL):

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Derecognition of Financial Assets:

The Group derecognises a financial asset on trade date only when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

Financial Liability:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial Liabilities are subsequently carried at amortized cost using the effective interest method, except for loans where the difference between IRR and normal rate of interest was immaterial.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for employee share-based payment, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

Derivative Financial Instruments:

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Trade and Other Payables:

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Other Financial Liabilities:

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

n) Borrowing Cost:

Borrowings costs that are attributable to the acquisition or construction of qualifying assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account.

o) Taxation:

Provision for Taxation is determined on the basis of the Taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from "temporary difference" between the carrying amount of an asset or liability in the balance sheet and its tax base book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be adjusted in future.



Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

p) Provisions & Contingent Liabilities/Assets:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

q) Government Grants:

Incentive received from the Government under sales tax deferral scheme, which is interest free in nature is determined based on fair value. Fair value is determined on the present value technique based on cash flow payable under the scheme & the same is amortized over the remaining period of sales tax deferral loan.

r) Leases:

On April 1, 2019, the Company adopted Ind AS 116, Leases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 Leases. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company as lessee:

The Group's lease asset classes primarily consist of leases for Land, building, plant & machinery and vehicles. At the inception of the contract, the Company assesses whether a contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For the purpose of identifying if a contract contains a lease, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and
- (iii) the Company has the right to direct the use of the asset.

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except in case of low value leases and short term leases (a term of less than twelve months) wherein the lease payments are recognized as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The right-of-use assets are initially recognized at cost. Cost includes the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the useful life of the underlying asset or the lease term whichever is shorter. Right of use assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liability and ROU asset have been presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group adopted Ind AS 116 – "Leases" using retrospective / modified retrospective methods as permitted in the Accounting Standard..

s) Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- i. **Ind AS 1 – Material accounting policies** - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).
- ii. **Ind AS 8 – Definition of accounting estimates** - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'.
- iii. **Ind AS 12 – Income taxes – Annual Improvements to Ind AS** - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2023.

t) Significant accounting judgements, estimates and assumptions

- The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.
- The estimates and judgements involves a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than



Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 *(Contd.)*

those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Estimated useful life PPE & intangible asset
- Estimation of defined benefit obligation
- Recognition of revenue
- Recognition of deferred tax assets for carried forward tax losses
- Impairment of trade receivables and other financial assets
- Fair Valuation for the purpose of Business Combination

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Note 2 PROPERTY, PLANT AND EQUIPMENT

| Sr. no. | Particulars | Property, plant and equipment | | | | | | | Right of use assets | | | | | Total | | |
|---------|--|-------------------------------|----------------|------------------------|-----------|---------------------|--------------------------|--------------|---------------------|---------------------------------|------------------------------|-----------|---------------------|---------|--------------|-------------|
| | | Freehold Land | Leasehold Land | Leasehold improvements | Buildings | Plant and Machinery | Furniture's and fixtures | Other Assets | Subtotal | Lease hold land (Finance Lease) | Lease hold land (ROU Assets) | Buildings | Plant and Machinery | | Other Assets | Subtotal |
| | Gross carrying value as at April 01, 2021 | 7,437.71 | - | 92.84 | 33,496.18 | 2,89,621.55 | 763.79 | 2,365.75 | 3,33,777.82 | 162.04 | 56.91 | 1,323.51 | 450.00 | 23.75 | 2,016.21 | 3,35,794.03 |
| 1 | Additions | - | - | 1.04 | 601.53 | 6,247.36 | 49.36 | 247.99 | 7,147.28 | - | - | 3,023.91 | - | - | 3,023.91 | 10,171.18 |
| 2 | Deletions/Adjustments | - | - | (84.48) | (4.47) | (863.18) | (7.71) | (67.29) | (1,027.13) | - | - | (911.91) | (1,080.00) | - | (1,991.91) | (3,019.04) |
| | Gross carrying value as at March 31, 2022 | 7,437.71 | - | 9.40 | 34,093.24 | 2,95,005.73 | 805.44 | 2,546.45 | 3,39,897.97 | 162.04 | 56.91 | 3,435.51 | (630.00) | 23.75 | 3,048.21 | 3,42,946.18 |
| | Accumulated Depreciation as at April 01, 2021 | - | - | 16.68 | 16,471.74 | 1,60,052.33 | 543.73 | 1,724.12 | 1,78,808.61 | - | 4.18 | 381.71 | 270.00 | 13.65 | 669.54 | 1,79,478.15 |
| 1 | Depreciation | - | - | 10.05 | 1,637.30 | 17,408.58 | 79.82 | 310.94 | 19,446.69 | - | - | 629.20 | 180.00 | 8.07 | 817.27 | 20,263.96 |
| 2 | Eliminated on disposal of asset/ Adjustments | - | - | (24.16) | (17.59) | (477.68) | (7.71) | (57.17) | (584.32) | - | - | (574.19) | (1,080.00) | - | (1,654.19) | (2,238.51) |
| | Accumulated Depreciation as at March 31, 2022 | - | - | 2.57 | 18,091.45 | 1,76,983.23 | 615.84 | 1,977.89 | 1,97,670.98 | - | 4.18 | 436.72 | (630.00) | 21.72 | (167.37) | 1,97,503.60 |
| | Net carrying value as at March 31, 2022 | 7,437.71 | - | 6.83 | 16,001.79 | 1,18,022.50 | 189.60 | 568.56 | 1,42,226.99 | 162.04 | 52.73 | 2,998.78 | - | 2.03 | 3,215.58 | 1,45,442.57 |
| | Gross carrying value as at April 01, 2022 | 7,437.71 | - | 9.40 | 34,093.24 | 2,95,005.73 | 805.44 | 2,546.45 | 3,39,897.97 | 162.04 | 56.91 | 3,435.51 | (630.00) | 23.75 | 3,048.21 | 3,42,946.18 |
| 1 | Additions | - | - | - | 630.63 | 8,533.04 | 109.93 | 249.50 | 9,523.10 | - | - | 87.12 | - | 13.59 | 100.71 | 9,623.81 |
| 2 | Deletions/Adjustments | - | - | - | - | (2,038.55) | (23.41) | (74.23) | (2,136.19) | - | - | (1.08) | - | (15.60) | (16.68) | (2,152.87) |
| | Gross carrying value as at March 31, 2023 | 7,437.71 | - | 9.40 | 34,723.86 | 3,01,500.22 | 891.96 | 2,721.72 | 3,47,284.88 | 162.04 | 56.91 | 3,521.55 | (630.00) | 21.74 | 3,132.24 | 3,50,417.12 |
| | Accumulated Depreciation as at April 01, 2022 | - | - | 2.57 | 18,091.45 | 1,76,983.23 | 615.84 | 1,977.89 | 1,97,670.97 | - | 4.18 | 436.72 | (630.00) | 21.72 | (167.37) | 1,97,503.60 |
| 1 | Depreciation | - | - | 1.21 | 1,306.18 | 15,797.90 | 67.04 | 249.42 | 17,421.75 | - | 2.09 | 559.29 | - | 6.83 | 568.21 | 17,989.96 |
| 2 | Eliminated on disposal of asset/ Adjustments | - | - | - | - | (1,517.85) | (22.45) | (63.17) | (1,603.47) | - | - | - | - | (15.60) | (15.60) | (1,619.07) |
| | Accumulated Depreciation as at March 31, 2023 | - | - | 3.78 | 19,397.64 | 1,91,263.27 | 660.43 | 2,164.13 | 2,13,489.26 | - | 6.28 | 996.01 | (630.00) | 12.95 | 385.24 | 2,13,874.49 |
| | Net carrying value as at March 31, 2023 | 7,437.71 | - | 5.62 | 15,326.23 | 1,10,236.95 | 231.53 | 557.58 | 1,33,795.62 | 162.04 | 50.63 | 2,525.54 | - | 8.79 | 2,747.00 | 1,36,542.63 |

1. Lease hold land represents the amount paid to Karnataka Industrial Area Development Board (KIADB), Bangalore against allotment of land at Kesaroli Village Haliyal on Lease cum sale basis.



Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Note 3 INTANGIBLE ASSETS

| Sr. No. | Particulars | Computer Software | Distribution relationships | Trade name | Total | Goodwill |
|---------|--|-------------------|----------------------------|-----------------|------------------|------------------|
| | Opening Gross value as at April 01, 2021 | 1,111.64 | 9,600.00 | 3,300.00 | 14,011.64 | 18,371.29 |
| 1 | Additions | 229.18 | - | - | 229.18 | - |
| 2 | Deletions/Adjustments | 0.93 | - | - | 0.93 | - |
| | Closing Gross value as at March 31, 2022 | 1,341.75 | 9,600.00 | 3,300.00 | 14,241.75 | 18,371.29 |
| | Accumulated Amortisation as at April 01, 2021 | 829.82 | 906.67 | 311.67 | 2,048.15 | - |
| 1 | Amortisation expenses | 129.10 | 640.00 | 220.00 | 989.10 | - |
| 2 | Eliminated on disposal of asset/Adjustments | 0.05 | - | - | 0.05 | - |
| | Accumulated Amortisation as at March 31, 2022 | 958.97 | 1,546.67 | 531.67 | 3,037.30 | - |
| | Net carrying value as at March 31, 2022 | 382.78 | 8,053.33 | 2,768.33 | 11,204.45 | 18,371.29 |
| | Opening Gross value as at April 01, 2022 | 1,341.75 | 9,600.00 | 3,300.00 | 14,241.75 | 18,371.29 |
| 1 | Additions | 3.00 | - | - | 3.00 | - |
| 2 | Deletions/Adjustments | - | - | - | - | - |
| | Closing Gross value as at March 31, 2023 | 1,344.75 | 9,600.00 | 3,300.00 | 14,244.75 | 18,371.29 |
| | Accumulated Amortisation as at April 01, 2022 | 958.97 | 1,546.67 | 531.67 | 3,037.30 | - |
| 1 | Amortisation expenses | 97.05 | 640.00 | 220.00 | 957.05 | - |
| 2 | Eliminated on disposal of asset/Adjustments | - | - | - | - | - |
| | Accumulated Amortisation as at March 31, 2023 | 1,056.01 | 2,186.67 | 751.67 | 3,994.35 | - |
| | Net carrying value as at March 31, 2023 | 288.74 | 7,413.33 | 2,548.33 | 10,250.40 | 18,371.29 |

| | As at | |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 4 INTANGIBLE ASSETS UNDER DEVELOPMENT | | |
| Computer Software | | |
| Cost | - | - |
| Additions | 144.76 | - |
| Deletion/Adjustments | - | - |
| Closing gross value | 144.76 | - |

| Intangible assets under development | Amount in Intangible assets under development for a period of 2022-23 | | | | |
|-------------------------------------|---|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | 144.76 | - | - | - | 144.76 |

| Intangible assets under development | Amount in Intangible assets under development for a period of 2021-22 | | | | |
|-------------------------------------|---|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | - | - | - | - | - |

| Note 5 CAPITAL WORK-IN-PROGRESS | | |
|--|------------------|-----------------|
| Opening Balance | 2,175.46 | 3,224.02 |
| Add: Additions during the year | 12,657.14 | 5,974.95 |
| | 14,832.60 | 9,198.97 |
| Less: Capitalised during the year | 9,504.68 | 7,023.51 |
| Closing Balance | 5,327.92 | 2,175.46 |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Capital work in progress ageing schedule

| Sl. No. | Particulars | Amount in CWIP for a period of FY 2022-23 | | | | Total |
|---------|--------------------------------|---|---------------|---------------|-------------------|-----------------|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| i) | Projects in progress | 4,212.26 | 310.34 | 123.14 | 682.18 | 5,327.92 |
| ii) | Projects temporarily suspended | - | - | - | - | - |
| | Total | 4,212.26 | 310.34 | 123.14 | 682.18 | 5,327.92 |

| Sl. No. | Particulars | Amount in CWIP for a period of FY 2021-22 | | | | Total |
|---------|--------------------------------|---|---------------|--------------|-------------------|-----------------|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| i) | Projects in progress | 1,038.53 | 136.54 | 41.67 | 958.72 | 2,175.46 |
| ii) | Projects temporarily suspended | - | - | - | - | - |
| | Total | 1,038.53 | 136.54 | 41.67 | 958.72 | 2,175.46 |

| | | As at | |
|---------------|---|----------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 6 | BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS | | |
| | Opening balance | 674.34 | 728.88 |
| | Expenses during the year | 59.09 | 27.34 |
| | Consumption during the year | - | (81.88) |
| | Closing balance | 733.43 | 674.34 |
| | Reconciliation | | |
| | Non-current assets (Refer Note 50) | | |
| | Immature crops | 733.43 | 674.34 |
| | Total non-current assets | 733.43 | 674.34 |
| | Current assets | | |
| | Matured crops | - | - |
| | Total current assets | - | - |
| | Total biological assets other than bearer plants | 733.43 | 674.34 |

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|---|----------------------|-----------|--------------|----------------------|--------------|
| | Face Value ₹ | Number | Amount | Number | Amount |
| Non-current | | | | | |
| Investment in Subsidiaries | | | | | |
| Unquoted Investments (all fully paid) | | | | | |
| (i) Investment in equity shares of subsidiary at cost | | | | | |
| Andhra Paper Foundation | 10 | 50,000 | 5.00 | 50,000 | 5.00 |
| Investment in Associates | | | | | |
| Unquoted Investments (all fully paid) | | | | | |
| (ii) Investment in equity shares of associate at cost | | | | | |
| - Speciality Coatings & Lamination Limited | 10 | 18,50,130 | - | 18,50,130 | - |
| Total Investment in Subsidiaries & Associates | | | 5.00 | | 5.00 |
| Investment in Others | | | | | |
| Unquoted Investments (all fully paid) - at fair value through Profit or Loss | | | | | |
| - Kilkotagiri and Thirumbadi Plantations Ltd., | 10 | 20,943 | 35.27 | 20,943 | 35.27 |
| - Placid Limited | 100 | 37 | 0.01 | 37 | 0.01 |
| | | | 35.28 | | 35.28 |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|---|----------------------|-----------|-----------------|----------------------|-----------------|
| | Face Value ₹ | Number | Amount | Number | Amount |
| Quoted Investments (all fully paid) - at fair value through Profit or Loss | | | | | |
| - Jayshree Chemicals Ltd | 10 | 5,42,399 | 29.67 | 5,42,399 | 34.93 |
| Investments in Equity Instruments at FVTOCI : | | | - | | |
| - Life Insurance Corporation of India Limited | 10 | 110,854 | 592.34 | - | - |
| - Coal India Limited | 10 | 118,938 | 254.11 | - | - |
| - Power Finance Corporation Limited | 10 | 1,61,000 | 244.32 | - | - |
| - REC Limited | 10 | 3,38,000 | 390.22 | - | - |
| - HDFC Bank Limited | 1 | 17,810 | 286.66 | - | - |
| - ITC Limited | 1 | 90,000 | 345.15 | - | - |
| - NMDC Limited | 1 | 2,03,400 | 226.89 | - | - |
| - State Bank of India | 1 | 44,000 | 230.45 | - | - |
| - Andhra Pradesh Gas Power Corporation Limited | 10 | 13,40,000 | 1,538.37 | 13,40,000 | 1,947.00 |
| Less: Provision for Impairment of APGPCL Investments | | | (1,538.37) | - | - |
| | | | 2,570.17 | | 1,947.00 |
| Investments in Government securities (at amortised cost) | | | | | |
| 6 Year National Savings Certificate | | | 0.10 | | 0.10 |
| Total Investment in Others | | | 2,635.22 | | 2,017.31 |
| Investments carried at amortised cost: | | | | | |
| Investments in bonds | | | | | |
| Bank Of Baroda, 9.73%, 17 Dec 2023 | 10,00,000 | - | - | 30 | 323.45 |
| Bank Of India, 9.80%, 30 Sep 2023 | 10,00,000 | - | - | 30 | 342.58 |
| Cholamandlam MS General Insurance Co. Limited, 8.75%, 25 May 27 | 10,00,000 | - | - | 90 | 937.40 |
| L&T Finance Limited, 9.25%, 13 Mar 2024 | 1,000 | - | - | 1,40,000 | 1,484.92 |
| Power Finance Corporation Limited, 8.19%, 14 Jun 2023 | 10,00,000 | - | - | 7 | 76.55 |
| Rural Electrification Corporation Limited, 8.82%, 12 Apr 2023 | 10,00,000 | - | - | 4 | 44.65 |
| State Bank of India Series - III, 9.45%, 22 Mar 2024 | 10,00,000 | - | - | 5 | 52.26 |
| State Bank of India, SR -I, 7.74% | 10,00,000 | 50 | 529.32 | 50 | 532.05 |
| State Bank of India Series II, 8.50%, 22 Nov 2024 | 10,00,000 | 155 | 1,610.59 | 5 | 53.52 |
| National Bank For Agriculture and Rural Development, 5.27%, 23 July 2024 | 10,00,000 | 50 | 504.78 | - | - |
| National Bank For Agriculture and Rural Development, 7.4%, 30 Jan 2026 | 10,00,000 | 100 | 1,012.33 | - | - |
| Power Finance Corporation Ltd, 8.65%, 28 Dec 24 | 10,00,000 | 50 | 519.44 | - | - |
| Power Grid Corporation Ltd, 9.25%, 26 Dec 2024 | 12,50,000 | 40 | 524.67 | - | - |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|--|----------------------|--------|------------------|----------------------|------------------|
| | Face Value ₹ | Number | Amount | Number | Amount |
| Power Finance Corporation Ltd , 9.37%,19AUG 24 | 10,00,000 | 18 | 193.41 | - | - |
| Power Finance Corporation Limited 2024, 8.98% | 10,00,000 | 100 | 1,037.23 | - | - |
| National Bank For Agriculture And Rural Development 2024, 7.69% | 10,00,000 | 100 | 1,055.22 | - | - |
| Rural Electrification Corporation Limited (Series 12 Tranche 3, 9.34%, 25 Aug 2024 | 10,00,000 | 100 | 1,067.20 | - | - |
| Rural Electrification Corporation Limited 25JUN24, '8.10 | 10,00,000 | 50 | 529.21 | - | - |
| Rural Electrification Corporation Limited 2024, '8.10% | 10,00,000 | 100 | 1,058.54 | - | - |
| Indian Railway Finance Corporation 2024, '8.20% | 10,00,000 | 100 | 1,038.15 | - | - |
| National Thermal Power Corporation Limited 22SEP24, '9.17% | 10,00,000 | 150 | 1,593.59 | - | - |
| Rural Electrification Corporation Limited Bonds (Series 12 Tranche 3), '9.34% 25/08/2024 | 10,00,000 | 100 | 1,070.13 | - | - |
| | | | 13,343.81 | | 3,847.38 |
| Investments in Non-Convertible Debentures at amortised cost | | | | | |
| Aditya Birla Finance Limited, 7.9%, 19 Sep 25 | 10,00,000 | 100 | 1,036.54 | - | - |
| Aditya Birla Finance Limited, 7.6%, 6 Jun 2025 | 10,00,000 | 100 | 1,061.63 | - | - |
| Housing Development Finance Corporation Limited, 5.90%, 25 Feb 2025 | 10,00,000 | 100 | 983.83 | - | - |
| HDFC Credila Financial Services Ltd, 8.62%, 17 Jun 2024 | 10,00,000 | 32 | 350.04 | - | - |
| Housing Development Finance Corporation Limited, 7.40%, 02 Jul 2025 | 10,00,000 | 100 | 1,058.33 | - | - |
| Housing Development Finance Corporation Limited, 7.99%, 11 July 24 | 10,00,000 | 50 | 529.55 | - | - |
| Housing Development Finance Corporation Limited, 8.40%, 23 Jan 25 | 5,00,000 | 200 | 1,023.02 | - | - |
| Kotak Mahindra Investments Limited, 0%, 29 Apr 24 | 10,00,000 | 100 | 922.80 | - | - |
| Kotak mahindra Prime Limited, 7.8955% , 23 Dec 24 | 10,00,000 | 100 | 1,021.76 | - | - |
| Kotak Mahindra Prime Limited, 7.8815%, 17 Feb 25 | 10,00,000 | 100 | 1,008.35 | - | - |
| L & T Finance Limited, 6.45%, 10 May 2024 | 10,00,000 | 150 | 1,509.25 | - | - |
| LIC Housing Finance, 8.33%, 31 May 2024 | 10,00,000 | 50 | 541.84 | - | - |
| Mahindra & Mahindra Financial Services Ltd, 8.90%, 27 Oct 2025 | 10,00,000 | 10 | 106.57 | - | - |
| Bajaj Finance Limited, 5.75%, 16 Feb 2024 | 10,00,000 | - | - | 250 | 2,515.05 |
| IIFL Finance Limited, 8.25%, 14 Oct 2023 | 1,000.0 | - | - | 50,000 | 532.32 |
| IIFL Home Finance Limited, 8.93%, 14 Apr 2023 | 10,00,000 | - | - | 50 | 536.76 |
| Kotak Mahindra Prime Limited, 5.00%, 20 Dec 23 | 10,00,000 | - | - | 100 | 1,003.54 |
| LIC Housing Finance Limited, 9.19%, 06 Jun 2023 | 10,00,000 | - | - | 10 | 107.50 |
| Muthoot Finance Limited, 7.40%, 05 Jan 24 | 1,000 | - | - | 25,994 | 271.38 |
| Shriram City Union Finance Limited, 7.50%, 22 May 2023 | 10,00,000 | - | - | 100 | 1,008.02 |
| Tata Capital Financial Services Limited, 6.1%, 29 Mar 24 | 10,00,000 | - | - | 50 | 501.86 |
| Tata Capital Housing Finance Limited, 0%, 24 Jan 2024 | 10,00,000 | - | - | 50 | 539.86 |
| Tata Capital Housing Finance Limited, 5.86%, 23 Feb 2024 | 10,00,000 | - | - | 100 | 1,007.25 |
| | | | 11,153.51 | | 8,023.54 |
| Aggregate carrying value of quoted & unquoted non-current investments | | | 27,137.53 | | 13,893.23 |

Statutory Reports

Standalone Financials

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Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|---|----------------------|-----------------|------------------|----------------------|-----------------|
| | Face Value ₹ | Number of Units | Amount | Number of Units | Amount |
| Current | | | | | |
| Unquoted investments carried at amortised cost | | | | | |
| Investments in Bonds | | | | | |
| Bank Of Baroda, 9.73%, 17 Dec 2023 | 10,00,000 | 30 | 314.83 | - | - |
| Bank Of India, 9.80%, 30 Sep 2023 | 10,00,000 | 30 | 334.04 | - | - |
| ICICI Bank Limited Perpetual, 9.15%, 20 June 2023 | 10,00,000 | 100 | 1,075.38 | - | - |
| Indian Oil Corporation Limited, 6.44%, 14 Apr 2023 | 10,00,000 | 100 | 1,013.39 | - | - |
| Indian Railway Finance Corporation Limited, 6.19%, 28 Apr 2023 | 10,00,000 | 100 | 1,058.63 | - | - |
| Indian Renewable Energy Development Agency Limited, 8.44%, 10 May 2023 | 10,00,000 | 17 | 183.16 | - | - |
| L&T Finance Limited, 9.25%, 13 Mar 2024 | 1,000 | 1,40,000 | 1,445.85 | - | - |
| LIC Housing Finance Limited, 6.8975%, 16 Nov 2023 | 10,00,000 | 50 | 511.43 | - | - |
| National Bank For Agriculture and Rural Development, 5.14%, 31 Jan 2024 | 10,00,000 | 50 | 495.14 | - | - |
| National Bank for Agriculture and Rural Development, 5.44%, 05 Feb 24 | 10,00,000 | 200 | 1,982.31 | - | - |
| Power Finance Corporation Limited, 8.19%, 14 Jun 2023 | 10,00,000 | 7 | 74.90 | - | - |
| Power Finance Corporation Limited, 6.72%, 09 June 2023 | 10,00,000 | 50 | 525.82 | - | - |
| Power Finance Corporation Ltd 2023, 5.47%, 19 Aug 2023 | 10,00,000 | 100 | 1,026.44 | - | - |
| Rural Electrification Corporation Limited, 5.79%, 20 Mar 24 | 10,00,000 | 100 | 984.98 | - | - |
| Rural Electrification Corporation Limited, 8.82%, 12 Apr 2023 | 10,00,000 | 4 | 43.45 | - | - |
| SBI Cards And Payment Services, 8.30%, 17 May 2023 | 10,00,000 | 100 | 1,059.48 | - | - |
| State Bank of India Series - II , 9.37%, 21 Dec 2023 | 10,00,000 | 50 | 518.64 | - | - |
| State Bank of India Series - III, 9.45%, 22 Mar 2024 | 10,00,000 | 5 | 51.22 | - | - |
| TVS Motors Company Limited, 7.5%, 15 May 2023 | 10,00,000 | 50 | 533.26 | - | - |
| India Infrastructure Finance Company Limited, 8.82%, 19 Dec 2022 | 10,00,000 | - | - | 1 | 10.36 |
| Gujarat State Investments Limited, 9.45%, 01 Oct 22 | 10,00,000 | - | - | 12 | 123.79 |
| Gujarat State Investments Limited, 9.45%, 28 Sep 2022 | 10,00,000 | - | - | 205 | 2,119.60 |
| Indian Renewable Energy Development Agency Limited, 9.49%, 04 Jun 2022 | 1,50,000 | - | - | 20 | 216.57 |
| L&T Finance Limited, 8.9%, 15 Apr 2022 | 1,000 | - | - | 20,000 | 217.26 |
| Piramal Capital & Housing Finance Limited, 9.5%, 15 Apr 2022 | 8,00,000 | - | - | 63 | 506.66 |
| Power Finance Corporation Limited, 0%, 30 Dec 2022 | 1,00,000 | - | - | - | - |
| Rural Electrification Corporation Limited, 9.02%, 19 Nov 2022 | 10,00,000 | - | - | 5 | 52.94 |
| ICICI home finance company limited 2024, 5.85% | 10,00,000 | 100 | 977.71 | - | - |
| National Bank For Agriculture And Rural Development 2024, 5.44% | 10,00,000 | 100 | 977.93 | - | - |
| Power Grid Corporation 2023, 8.85% | 12,50,000 | 16 | 207.21 | - | - |
| ICICI Bank Ltd Perpetual Bonds (Series DMR18AT), 9.15% | 10,00,000 | 100 | 1,068.99 | - | - |
| Power Grid Corporation Limited 15/07/2023, 8.70% | 10,00,000 | 100 | 1,063.40 | - | - |
| | | | 17,527.59 | | 3,247.18 |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|---|----------------------|-----------------|----------|----------------------|----------|
| | Face Value ₹ | Number of Units | Amount | Number of Units | Amount |
| Investments in Non-Convertible Debentures | | | | | |
| Aditya Birla Finance Limited, 10.50%, 20 May 2022 | 10,00,000 | - | - | 20 | 219.42 |
| Aditya Birla Finance Ltd, 6.15%, 30 May 2023 | 10,00,000 | 100 | 2,009.10 | - | - |
| Bajaj Finance Limited, 5.75%, 16 Feb 2024 | 10,00,000 | 250 | 2,515.79 | - | - |
| Cholamandalam Investment and Fin Co Ltd, 6.26%, 18 Apr 2023 | 10,00,000 | 150 | 1,588.76 | - | - |
| Housing Development Finance Corporation Limited, 7.28%, 01 Mar 2024 | 10,00,000 | 100 | 1,003.76 | - | - |
| Housing Development Finance Corporation Limited, 9.05%, 20 Nov 2023 | 10,00,000 | 50 | 522.84 | - | - |
| IIFL Finance Limited, 8.25%, 14 Oct 2023 | 1,000 | 50,000 | 523.81 | - | - |
| IIFL Home Finance Limited, 8.93%, 14 Apr 2023 | 10,00,000 | 50 | 530.69 | - | - |
| Kotak Mahindra Prime Limited, 5.00%, 20 Dec 23 | 10,00,000 | 100 | 1,009.25 | - | - |
| Kotak Mahindra Prime Limited, 5.80%, 20 Feb 2024 | 10,00,000 | 100 | 991.67 | - | - |
| Kotak Mahindra Prime Limited, 6%, 15 Mar 2024 | 10,00,000 | 250 | 2,475.56 | - | - |
| L&T Finance Limited, 6.15%, 17 May 2023 | 10,00,000 | 50 | 500.46 | - | - |
| LIC Housing Finance Limited, 9.19%, 06 Jun 2023 | 10,00,000 | 160 | 1,666.67 | - | - |
| Mahindra & Mahindra Financial services Ltd, 5.9%, 31 July, 23 | 10,00,000 | 100 | 1,033.17 | - | - |
| Muthoot finance Limited, 6.60%, 20 June 2023 | 1,000 | 1,00,000 | 1,060.70 | - | - |
| Muthoot Finance Limited, 7.40%, 05 Jan 24 | 1,000 | 25,994 | 269.34 | - | - |
| Reliance Industries Limited, 8.00%, 09 Apr 2023 | 10,00,000 | 200 | 2,156.36 | - | - |
| Shriram Finance Limited, 7.50%, 22 May 2023 | 10,00,000 | 100 | 1,007.89 | - | - |
| Shriram Finance Ltd 2023, 9.10%, 28 Apr 2023 | 10,00,000 | 100 | 1,039.24 | - | - |
| State Bank of India Series -1, 9.56%, 04 Dec 2023 | 10,00,000 | 80 | 834.16 | - | - |
| Tata Capital Limited, 6.4912%, 16 Feb 24 | 10,00,000 | 200 | 2,010.36 | - | - |
| Tata Capital Financial Services Limited, 6.1%, 29 Mar 24 | 10,00,000 | 50 | 500.99 | - | - |
| Tata Capital Housing Finance Limited, 0%, 24 Jan 2024 | 10,00,000 | 50 | 573.24 | - | - |
| Tata Capital Housing Finance Limited, 5.86%, 23 Feb 2024 | 10,00,000 | 200 | 2,009.87 | - | - |
| Hinduja Leyland Finance Limited, 11.1%, 08 Apr 2022 | 10,00,000 | - | - | 200 | 2,171.97 |
| IIFL Finance Limited, 12.15%, 30 Aug 2022 | 10,00,000 | - | - | 50 | 542.27 |
| India Infradebt Limited, 9.10%, 20 Jun 2022 | 10,00,000 | - | - | 3 | 30.23 |
| JM Financial Credit Solutions Limited, 10.00%, 13 Jul 22 | 1,000 | - | - | 5,660 | 58.57 |
| JM Financial Products Limited, 10.20%, 11 Nov 22 | 1,000 | - | - | 1,50,000 | 1,611.15 |
| L&T Finance Limited, 8.55%, 29 Nov 2022 | 10,00,000 | - | - | 30 | 311.88 |
| Shriram Housing Finance Limited, 10.60%, 09 May 2022 | 1,00,000 | - | - | 300 | 302.77 |
| Tata capital limited, 8.0462% | - | - | - | 100 | 1,028.32 |
| Aseem Infrastructure Limited, 5.41% | - | - | - | 100 | 1,011.87 |
| Cholamandalam Investment and Fin. Co. Ltd, April 2023, 6.26% | 1000000 | 100 | 1,015.13 | - | - |
| Aditya Birla Finance Limited 2023, 6.15% | 1000000 | 100 | 992.12 | - | - |
| Jamnagar Utilities & Power Pvt Ltd 2023, 8.95% | 1000000 | 100 | 1,050.12 | - | - |
| Aditya Birla Finance Limited 2023, 9.15% | 1000000 | 100 | 1,013.50 | - | - |
| The Tata power Company Limited 2023, 7.99% | 1000000 | 50 | 499.89 | - | - |
| Sikka Ports And Terminals Limited, 8.45 % | 1000000 | 100 | 1,040.37 | - | - |
| Sikka Ports And Terminals Limited, 8.45 % | 1000000 | 100 | 1,043.89 | - | - |
| Reliance Industries Limited, 8% | 1000000 | 50 | 530.92 | - | - |

Statutory Reports

Standalone Financials

Consolidated Financials

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|--|----------------------|-----------------|------------------|----------------------|-----------------|
| | Face Value ₹ | Number of Units | Amount | Number of Units | Amount |
| HDFC LTD 9.05% 20/11/2023 | 1000000 | 100 | 1,026.98 | | - |
| | | | 36,046.60 | | 7,288.45 |
| Investments in Commercial papers | | | | | |
| ARKA Fincap Limited, 02 Dec 2022 | 5,00,000 | - | - | 200 | 955.32 |
| ARKA Fincap Limited, 12 Dec 2022 | 5,00,000 | - | - | 200 | 953.51 |
| Piramal Enterprises Limited, 06 May 22 | 5,00,000 | - | - | 200 | 993.18 |
| Piramal Enterprises Limited, 08 Apr 22 | 5,00,000 | - | - | 400 | 1,997.56 |
| ICICI Securities Limited, 14 Nov 2023 | | 200 | 953.75 | - | - |
| ICICI Securities Limited, 16 May 2023 | | 200 | 990.86 | - | - |
| Standard Chartered Capital Ltd, 16 May 23 | | 400 | 1,981.61 | - | - |
| ICICI Securities Limited, 19 June 2023 | | 300 | 1,474.53 | - | - |
| Standard Chartered Capital Ltd , 19 Jun 23 | | 400 | 1,965.41 | - | - |
| Piramal Enterprises Limited, 19 Jun 23 | | 200 | 981.34 | - | - |
| ICICI Securities, 7.75% | | 200 | 981.04 | - | - |
| Standard Chartered Capital Limited, 8.05% | | 300 | 1,470.49 | - | - |
| | | | 10,799.03 | | 4,899.58 |
| Unquoted instruments at FVTPL | | | | | |
| Investments in Mutual funds | | | | | |
| ICICI Pru Liquid Fund - Direct Growth | | 75,229 | 250.65 | - | - |
| Axis Bank Liquid Fund - Direct Growth | | - | - | 2,364 | 1,436.65 |
| TATA Liquid Fund - Direct Growth | | 43,018 | 1,527.75 | - | - |
| Aditya Birla Liquiq Fund Direct Growth | | - | - | 343 | 902.39 |
| ICICI Pru FMP 88 Plan - Direct Growth | | 49,99,750 | 500.89 | - | - |
| KOTAK Liquid Fund - Direct Growth | | 0 | 0.00 | - | - |
| KOTAK FMP 307 - Direct Growth | | 50,00,405 | 503.56 | - | - |
| ABSL Liquid Fund - Direct Growth | | 1,41,120 | 512.38 | - | - |
| ABSL Saving Fund - Direct Growth | | 1,07,326 | 504.71 | - | - |
| HDFC Nifty G Sec - Direct Growth | | 25,02,932 | 253.64 | - | - |
| ICICI Nifty G Sec - Direct Growth | | 95,75,680 | 999.95 | - | - |
| TATA Nifty G Sec - Direct Growth | | 98,34,284 | 999.95 | - | - |
| Mirae Liquiq Fund Direct Growth | | - | - | 2,247 | 902.32 |
| Mirae FMP Series - V Plan | | 64,99,675 | 656.06 | - | - |
| Tata Money Market Fund Direct Growth | | - | - | 3,825 | 1,303.17 |
| Tata Ultra Fund Direct Growth | | 40,11,385 | 504.71 | - | - |
| DSP Ultra Fund Direct Growth | | 16,134 | 504.59 | - | - |
| DSP FMP S270 Fund Direct Growth | | 50,00,378 | 503.99 | - | - |
| Tata Crisil IBX Gilt Index Fund Direct Growth | | 2,53,26,023 | 2,629.20 | - | - |
| Tata Nifty G Sec Fund Direct Growth | | 49,99,750 | 506.83 | - | - |
| Tata Money Market Fund Direct Growth | | 19,839 | 803.11 | - | - |
| Axis Money Market Fund Direct Growth | | 66,449 | 809.09 | - | - |
| ABSL Crisil IBX Direct Growth | | 33,95,416 | 354.87 | - | - |
| Abakkus Diversified Alpha Fun | | 20,172 | 200.20 | - | - |
| Axis Money Market Fund Direct Growth | | - | - | 1,12,946 | 1,300.89 |
| Axis Fixed Term Plan - Series 112 | | 50,00,406 | 505.97 | - | - |
| Axis Fixed Term Plan - Series 114 | | 49,99,750 | 500.99 | - | - |
| Nippon India Liquid Fund - Direct Plan Growth Plan (LFAGG) | | 15,463 | 851.56 | 20,910 | 700.60 |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------|----------------------|----------|
| | Face Value ₹ | Number of Units | Amount | Number of Units | Amount |
| Nippon India Ultra Short Duration Fund - Direct Growth Plan | | 13,492 | 504.88 | - | - |
| Nippon India Qtr Interval Fund-Series III | | 30,12,236 | 553.50 | - | - |
| Nippon India Fixed Horizon XLV Series 4 Direct Growth (U7AGG) | | 1,00,01,499 | 1,000.15 | - | - |
| SBI ETF Nifty 50 | | 1,50,000 | 269.39 | 1,50,000 | 268.02 |
| Abakkaus Diversified Alpha Fund | | 10,086 | 100.10 | - | - |
| Aditya Birla Sunlife Crisil IBX Gilt Apr 2029 Index fund - Direct Growth | | 29,41,619 | 307.44 | - | - |
| Aditya Birla Sunlife NIFTY SDL Sep 2025 Index fund - Direct Growth | | 49,99,750 | 519.27 | - | - |
| Aditya Birla Sunlife NIFTY SDL Sep 2027 Index fund - Direct Growth | | 9,99,950 | 101.42 | - | - |
| Aditya Birla Sunlife Fixed Term Plan - Series UB (1224 Days) - Direct Growth | | 49,99,750 | 508.92 | - | - |
| Aditya Birla Sunlife Fixed Term Plan - Series UJ (1110 Days) - Direct Growth | | 89,99,550 | 901.94 | - | - |
| Aditya Birla India Equity Services Fund - Class C1 | | 41,860 | 38.15 | - | - |
| DSP Ultra Short Fund- Direct plan - Growth | | 9,684 | 302.86 | - | - |
| Emkay Emerging Star Fund - V - | | 4,01,055 | 393.11 | - | - |
| HDFC Nifty G-Sec Apr 2029 Index Direct Growth | | 40,04,691 | 405.82 | - | - |
| ICICI Prudential Money Market Fund - Direct plan-Growth | | 1,85,551 | 601.76 | - | - |
| ICICI Prudential FIXED MATURITY PLAN - SERIES 88 - PLAN U -Direct Plan- Growth | | 49,99,750 | 500.89 | - | - |
| IDFC Crisil Ibx Glit April 2028 Index Fund Direct Plan -Growth | | 92,61,369 | 1,014.06 | - | - |
| Mirae Asset Fixed Maturity Plan-Series V-91 Days-Direct Plan-Growth | | 79,99,600 | 807.46 | - | - |
| Mirae Asset Fixed Maturity -Series V- Plan 2- 91 Days Direct Plan-Growth | | 49,99,750 | 502.13 | - | - |
| Aditya Birla Sunlife Money Manager Fund - Growth - Direct | | 63,249 | 199.99 | 3,01,443 | 901.04 |
| Nuvama Crossover Opportunities Fund Series III | | 19,01,567 | 235.24 | 19,04,725 | 243.55 |
| ICICI Prudential Banking & Financial Services Fund-Direct Plan-Growth | | 2,32,636 | 221.26 | 2,20,448 | 195.10 |
| ICICI Prudential Large & Midcap Fund - Direct Plan - Growth | | 53,138 | 330.56 | 51,293 | 296.71 |
| Kotak Emerging Equity Fund - Direct plan- Growth | | 6,39,957 | 536.64 | 6,26,338 | 498.67 |
| Kotak Flexicap Fund - Direct Growth | | 8,56,572 | 501.51 | 8,37,178 | 476.06 |
| Mirae Asset Large Cap Fund - Direct Plan - Growth | | 5,85,257 | 494.39 | 5,72,232 | 483.18 |
| Mirae Asset Nifty SDL Jun 2027 Index Fund Direct Plan - Growth | | 1,21,02,055 | 1,253.29 | 49,99,750 | 500.33 |
| Nippon India ETF Nifty Bees | | 50,000 | 94.97 | 50,000 | 94.47 |
| SBI ETF Nifty and Open ended | | 1,00,000 | 179.59 | 1,00,000 | 178.68 |
| TATA Digital India Fund Direct Plan Growth | | 15,70,728 | 557.05 | 15,42,462 | 657.93 |
| TATA Liquid Fund Direct Plan - Growth | | 9,167 | 325.55 | 14,982 | 503.45 |
| TATA Money Market Fund Direct Plan Growth | | 24,851 | 1,005.99 | 31,402 | 1,201.22 |
| Aditya Birla Sun life Liquid Fund - Growth-Direct | | - | - | 4,10,325 | 1,407.93 |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | |
|---|----------------------|-----------------|--------------------|----------------------|------------------|
| | Face Value ₹ | Number of Units | Amount | Number of Units | Amount |
| Axis Liquid Fund - Direct Growth | | - | - | 46,759 | 1,105.43 |
| Axis Money Market Fund - Direct Growth | | - | - | 1,21,775 | 1,402.59 |
| DSP Liquidity Fund - Direct plan - Growth | | - | - | 6,584 | 200.38 |
| Kotak Liquid Fund Direct Plan Growth | | - | - | 4,699 | 202.21 |
| Mirae Asset Cash Management Fund - Direct Plan Growth | | - | - | 13,446 | 302.14 |
| Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option | | - | - | 5,969 | 199.99 |
| Nippon India Money Market-Direct Growth Plan Growth Option | | 5,637 | 199.99 | - | - |
| Nippon India Quarterly Interval Fund - Series III -Direct Growth Plan Growth Option | | 27,38,396 | 503.18 | - | - |
| Nippon India Ultra Short Duration Fund-Direct Growth Plan | | 21,542 | 806.16 | - | - |
| Northern Arc Money Market Alpha Trust Cat3Class A2 | | 14,99,925 | 1,513.03 | - | - |
| SBI Fixed Maturity Plan (FMP)- Series 66 (1361 days) Dir Gro | | 89,99,550 | 944.48 | - | - |
| TATA Crisil IBX Gilt Index- Apr 2026 Index fund-Direct Plan -Growth | | 4,09,95,670 | 4,255.92 | - | - |
| TATA Ultra Short Term Fund-Direct Plan-Growth | | 48,03,345 | 604.89 | - | - |
| | | | 39,481.61 | | 17,865.08 |
| Aggregate carrying value of unquoted current investments | | | 1,03,854.83 | | 33,300.29 |
| Total of Current & Non Current Investments | | | 1,30,992.37 | | 47,193.51 |
| Aggregate cost of quoted investments | | | 2,997.57 | | 94.97 |
| Aggregate market value of quoted investments | | | 2,599.84 | | 34.93 |
| Aggregate amount of unquoted investments | | | 1,28,392.53 | | 47,158.58 |

* Investment in associates are valued at ₹ Nil due to erosion in net worth of associate companies resulting in impairment of value recognised in earlier years. The cost of investment was ₹ 185.01 Lakhs.

| Note 8 | LOANS | As at | |
|--------|--|-----------------|------------------|
| | | March 31, 2023 | March 31, 2022 |
| | Non-current | | |
| | Unsecured considered good | | |
| | a) Inter corporate deposits/Deposit with NBFC* | 1,000.00 | - |
| | Total of Non-current Loans | 1,000.00 | - |
| | Current | | |
| | Unsecured considered good | | |
| | a) Loan to employees | 185.07 | 201.60 |
| | b) Inter corporate deposits/Deposit with NBFC* | 2,501.00 | 10,395.00 |
| | Total of current loans | 2,686.07 | 10,596.60 |
| | Total of Current and Non-current Loans | 3,686.07 | 10,596.60 |

*Inter-Corporate Deposit (ICD)/Deposit with NBFC are placed by the Company with Non-Banking financial Companies as fixed deposits and with different corporates as term loans. Maximum amount outstanding during the year was ₹16,646.00 lakhs (2021-22: ₹ 17,998.00 lakhs) Amount outstanding as at March 31, 2023 is ₹ 3,600.00 lakhs (March 31, 2022: ₹ 10,395.00 lakhs) at the interest rate ranging between 5.25% to 15.00% per annum (2021-22: 5.25% to 15.00% per annum), which are going to mature on different dates.

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | As at | |
|--|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 9 OTHER FINANCIAL ASSETS (Unsecured considered good unless otherwise stated) | | |
| Non-current | | |
| a) Security deposit | 693.81 | 662.56 |
| b) Fixed Deposit with Banks with maturity more than 12 months # | 359.28 | - |
| Total Non-current Other Financial Assets | 1,053.09 | 662.56 |
| Current | | |
| a) Security deposit* | 339.18 | 675.67 |
| b) Interest accrued on Bank Deposits and current Investments | 565.52 | 449.73 |
| Total Current Other Financial Assets | 904.70 | 1,125.40 |
| Total of other Financial Assets | 1,957.79 | 1,787.96 |

Margin money with Banks against Bank guarantees

* Includes security deposit with related parties ₹ 46.80 Lakhs (Previous Year - ₹ 46.80 Lakhs)

| | | |
|--|-----------------|---------------|
| Note 10 CURRENT TAX ASSETS (NET) | | |
| Advance tax / Tax paid at source (net of provision)* | 1,225.05 | 475.89 |
| Total of current tax assets (Net) | 1,225.05 | 475.89 |

* Provision for tax of ₹41,872.01 Lakhs and Advance Tax of ₹ 32,897.72 Lakhs is pertaining to current year.

| | | |
|--|-------------------|-------------------|
| Note 11 DEFERRED TAX ASSETS (NET) | | |
| Deferred tax liabilities on account of WDV of fixed assets | (7,111.47) | (8,451.63) |
| | (7,111.47) | (8,451.63) |
| Deferred tax assets on account of: | | |
| Carried forward of unabsorbed depreciation | - | - |
| Disallowances under section 43B of Income Tax Act | (977.94) | (1,052.54) |
| Adjustments to Ind AS | (2,038.85) | (1,865.98) |
| Tax holiday period | - | - |
| Provision for doubtful debts | (171.97) | (158.02) |
| Loss on OCI and Defined Benefit Liability | (153.22) | - |
| | (3,341.98) | (3,076.54) |
| Total deferred tax liabilities | (3,769.49) | (5,375.09) |
| Less: MAT Credit (Entitlement) / Reversal* | (4,818.53) | (13,793.18) |
| Total Deferred Tax Assets (Net) | 1,049.04 | 8,418.09 |

*Management expects that it would earn sufficient taxable income in future and therefore will be in a position to pay normal tax within the period specified under the Income Tax Act, 1961 and accordingly MAT credit entitlement has been recognized.

| | | |
|--|-----------------|-----------------|
| Note 12 OTHER NON-CURRENT ASSETS | | |
| Capital advances | 4,798.86 | 662.23 |
| Balances with statutory / government authorities | 3,321.76 | 3,412.79 |
| Prepaid expenses | 122.61 | 169.40 |
| Total Other Non-Current Assets | 8,243.23 | 4,244.42 |

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(₹ in Lakhs)

| | As at | |
|----------------------------|------------------|------------------|
| | March 31, 2023 | March 31, 2022 |
| Note 13 INVENTORIES | | |
| Raw Materials* | 16,506.98 | 13,504.29 |
| Work in progress | 1,974.94 | 1,955.65 |
| Finished Goods | 5,449.62 | 2,620.25 |
| Stores and spares # | 24,816.46 | 21,142.57 |
| Loose tools | 356.87 | 331.41 |
| Stock at scrap | 126.26 | 23.35 |
| Total Inventories | 49,231.14 | 39,577.52 |

* includes Raw Material in transit of ₹ 709.94 Lakhs (Previous Year : ₹ 2.38 Lakhs)

includes Stores and Spares in transit of ₹ 182.15 Lakhs (Previous Year : ₹ 423.61 Lakhs)

| | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Note 14 TRADE RECEIVABLES (Unsecured considered good unless otherwise stated) | | |
| Current | | |
| Considered good - Secured | 6,497.86 | 11,013.27 |
| Considered good - Unsecured* | 26,709.49 | 13,020.82 |
| Significant increase in credit risk | 23.14 | 195.22 |
| Trade Receivable - Credit Impaired | 581.78 | 552.84 |
| | 33,812.27 | 24,782.15 |
| Less: Allowances for credit losses | 581.78 | 552.84 |
| Total Trade Receivables | 33,230.49 | 24,229.31 |

There are no outstanding receivables due from directors or key management persons of the company.

*includes due from other related party of ₹167.29 Lakhs (Previous Year - ₹ 282.68 Lakhs).

Ageing analysis of trade receivables

| Sl. No | Particulars | Not Due | Outstanding for following periods from due date of payment as on 31.03.2023 | | | | | Total |
|----------|--|------------------|---|-----------------|--------------|--------------|-------------------|------------------|
| | | | Less than 6 months | 6 months-1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| 1 | Undisputed Trade Receivables : | | | | | | | |
| | i) considered good | 31,899.38 | 1,180.49 | 21.19 | 55.44 | 1.35 | 49.50 | 33,207.34 |
| | ii) which have significant increase in credit risk | 14.24 | 3.22 | 4.90 | 0.78 | - | - | 23.14 |
| | iii) credit impaired | - | 64.49 | 13.52 | 5.89 | 6.44 | 237.64 | 327.97 |
| 2 | Disputed Trade Receivables : | | | | | | | |
| | i) considered good | - | - | - | - | - | - | - |
| | ii) which have significant increase in credit risk | - | - | - | - | - | - | - |
| | iii) credit impaired | - | - | - | - | 23.11 | 230.70 | 253.81 |
| | Total Trade Receivable (Gross) | 31,913.62 | 1,248.20 | 39.61 | 62.12 | 30.89 | 517.83 | 33,812.27 |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| Sl. No | Particulars | Not Due | Outstanding for following periods from due date of payment as on 31.03.2022 | | | | | Total |
|----------|--|------------------|---|------------------|---------------|---------------|-------------------|------------------|
| | | | Less than 6 months | 6 months- 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| 1 | Undisputed Trade Receivables : | | | | | | | |
| | i) considered good | 20,299.82 | 2,872.42 | 694.90 | 114.46 | 8.63 | 43.86 | 24,034.09 |
| | ii) which have significant increase in credit risk | - | 19.84 | 175.38 | - | - | - | 195.22 |
| | iii) credit impaired | - | 23.57 | 23.10 | 34.65 | 22.17 | 188.06 | 291.54 |
| 2 | Disputed Trade Receivables : | | | | | | | |
| | i) considered good | - | - | - | - | 0.20 | 7.28 | 7.48 |
| | ii) which have significant increase in credit risk | - | - | - | - | - | - | - |
| | iii) credit impaired | - | - | - | 23.11 | 149.94 | 80.76 | 253.82 |
| | Total Trade Receivable (Gross) | 20,299.82 | 2,915.83 | 893.38 | 172.22 | 180.94 | 319.96 | 24,782.15 |

| | | As at | |
|----------------|---|-----------------|-----------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 15 | CASH AND CASH EQUIVALENTS | | |
| | Balance with banks | | |
| | In Current account | 1,185.43 | 1,326.40 |
| | Bank deposits maturing less than 3 months | 2,413.88 | 1,282.02 |
| | Cash on hand | 10.03 | 7.87 |
| | Total Cash and Cash Equivalents | 3,609.34 | 2,616.29 |

| | | | |
|----------------|--|-----------------|-----------------|
| Note 16 | OTHER BANK BALANCES | | |
| | In Unpaid Dividend Accounts | 154.66 | 120.91 |
| | In Unspent CSR Accounts | 241.13 | 164.15 |
| | In Margin Money deposits against guarantee | 498.91 | 525.79 |
| | In Deposit Accounts* | 3,000.00 | 2,587.00 |
| | Total of Other Bank Balances | 3,894.70 | 3,397.85 |

* Includes term deposits of ₹ 3,000 lakhs (Previous Year: ₹ 1,791 lakhs) of original maturity of more than 12 months.

| | | | |
|----------------|---|-----------------|------------------|
| Note 17 | OTHER CURRENT ASSETS | | |
| | Advances other than capital advances | | |
| | - Considered good | 7,687.19 | 9,332.45 |
| | - Considered doubtful | 18.03 | 18.03 |
| | | 7,705.22 | 9,350.48 |
| | Less: Provision for other doubtful loans and advances | 18.03 | 18.03 |
| | | 7,687.19 | 9,332.45 |
| | Others | | |
| | a) Prepaid expenses | 562.39 | 1,198.23 |
| | b) Other Assets | 412.37 | 751.21 |
| | c) Balances with Government authorities | 1,164.11 | 2,461.07 |
| | Total Other Current Assets | 9,826.06 | 13,742.96 |

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(All amounts of ₹ In Lakhs except share data and unless otherwise stated)

| | As at | |
|---|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 18 ASSETS CLASSIFIED AS HELD FOR SALE | | |
| Inventory Scrap Material from Dismantle Assets | - | 129.68 |
| Total of Assets classified as held for sale | - | 129.68 |
| Note 19 EQUITY SHARE CAPITAL | | |
| Authorized | | |
| 150,000,000 (Previous Year : 150,000,000) Equity Share ₹ 2/- each | 3,000.00 | 3,000.00 |
| 65,00,000 (Previous Year : 65,00,000) Cumulative Redeemable Non-convertible Preference Shares of ₹ 100 each | 6,500.00 | 6,500.00 |
| Total | 9,500.00 | 9,500.00 |
| Issued, Subscribed and Paid-Up | | |
| 66,048,908 (Previous Year : 66,048,908) Equity Shares ₹ 2/- each fully paid up | 1,320.98 | 1,320.98 |
| Total Equity Share Capital | 1,320.98 | 1,320.98 |

Rights, preference and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in 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 proportion of their shareholding.

The Company has neither bought back any shares nor issued any bonus shares during five years immediately preceding the Balance Sheet date.

| Movements in equity share capital | No. of Shares | ₹ in Lakhs |
|-----------------------------------|--------------------|-----------------|
| As at April 01, 2021 | 6,60,48,908 | 1,320.98 |
| Shares issued during the year | - | - |
| As at March 31, 2022 | 6,60,48,908 | 1,320.98 |
| Shares issued during the year | - | - |
| As at March 31, 2023 | 6,60,48,908 | 1,320.98 |

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as at and for the year ended March 31, 2023 (Contd.) (All amounts of ₹ In Lakhs except share data and unless otherwise stated)

Shares held by Promoters at the end of the year

| Sr. No | Promoter Name | As at | | | | % Change during the year |
|--------------|--|-----------------|------------------|-----------------|------------------|--------------------------|
| | | FY-2022-2023 | | FY-2021-2022 | | |
| | | No. Shares | %of Total shares | No. Shares | %of Total shares | |
| 1 | Shri Shree Kumar Bangur | 2792339 | 4.23% | 2792339 | 4.23% | - |
| 2 | Smt. Shashi Bangur | 2343362 | 3.55% | 2319415 | 3.51% | 0.04% |
| 3 | Shri Saurabh Bangur | 1651228 | 2.50% | 1651228 | 2.50% | - |
| 4 | Shri Virendraa Bangur | 1122956 | 1.70% | 1122956 | 1.70% | - |
| 5 | Smt. Bharti Bangur | 127300 | 0.19% | 127300 | 0.19% | - |
| 6 | Master Shrivatsa Bangur | 62300 | 0.09% | 62300 | 0.09% | - |
| 7 | Saurabh Bangur (HUF) | 271480 | 0.41% | 271480 | 0.41% | - |
| 8 | Shree Satyanarayan Investments Company Ltd. | 10461891 | 15.84% | 10460593 | 15.84% | - |
| 9 | Veer Enterprises Limited | 10734434 | 16.25% | 10727434 | 16.24% | 0.01% |
| 10 | Orbit Udyog Pvt Ltd | 2409855 | 3.65% | 2409855 | 3.65% | - |
| 11 | Saumya Trade And Fiscal Services Pvt. Ltd.* | - | - | 2106309 | 3.19% | (3.19)% |
| 12 | Union Company Limited | 4450 | 0.01% | 4450 | 0.01% | - |
| 13 | Mothola Company Ltd.* | - | - | 77700 | 0.12% | (0.12)% |
| 14 | The Indra Company Limited | 2221259 | 3.36% | 25750 | 0.04% | 3.32% |
| 15 | The Diamond Company Limited | 1983197 | 3.00% | 1983197 | 3.00% | - |
| 16 | Kilkotagiri And Thirumbadi Plantations Limited | 503939 | 0.76% | 503939 | 0.76% | - |
| 17 | Amrit- Villa Investments Ltd.* | - | - | 11500 | 0.02% | (0.02)% |
| 18 | Gold Mohore Investment Co Ltd | 647545 | 0.98% | 647545 | 0.98% | - |
| Total | | 37337535 | 56.53% | 37305290 | 56.48% | 0.05% |

*Amalgamated into "The Indra Company Limited" during the year.

Details of shareholders holding more than 5% shares

| Sr No | Name of shareholders | As at | | | |
|-------|---|----------------|--------------|----------------|--------------|
| | | March 31, 2023 | | March 31, 2022 | |
| | | No. of Shares | % of Holding | No. of Shares | % of Holding |
| 1 | Veer Enterprises Limited | 10734434 | 16.25% | 10727434 | 16.24% |
| 2 | Shree Satyanarayan Investments Company Limited | 10461891 | 15.84% | 10460593 | 15.84% |
| 3 | Nippon Life India Trustee Limited-A/C Nippon India Small Cap Fund | 3349491 | 5.07% | 4278015 | 6.48% |

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(₹ in Lakhs)

Note 20 OTHER EQUITY

| Particulars | Reserves & Surplus | | | | | | Other Comprehensive Income | Total attributable to owners of the Company | Attributable to Non Controlling Interest | Total |
|---|--------------------------|--------------------|----------------------------|--------------------------------|------------------|---|----------------------------|---|--|--------------------|
| | Security Premium Account | Retained Earnings | Capital Redemption Reserve | Equity Share warrant forfeited | General Reserve | Remeasurement of net defined benefit plan | | | | |
| Opening as on April 01, 2021 | 14,572.54 | 80,403.29 | 6,500.00 | 277.50 | 36,934.35 | (1,236.52) | 114.64 | 1,37,565.80 | 31,577.79 | 1,69,143.59 |
| Profit for the year | - | 30,703.52 | - | - | - | - | - | 30,703.52 | 3,884.55 | 34,588.07 |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | - | - | - | (325.28) | - | (325.28) | (33.17) | (358.45) |
| Dividends paid | - | (660.49) | - | - | - | - | - | (660.49) | (552.83) | (1,213.32) |
| Change in fair value of Equity instruments (net of tax) | - | - | - | - | - | - | 16.14 | 16.14 | 6.22 | 22.36 |
| Balance as on March 31, 2022 | 14,572.54 | 1,10,446.32 | 6,500.00 | 277.50 | 36,934.35 | (1,561.80) | 130.78 | 1,67,299.69 | 34,882.55 | 2,02,182.24 |
| Balance as on April 01, 2022 | 14,572.54 | 1,10,446.32 | 6,500.00 | 277.50 | 36,934.35 | (1,561.80) | 130.78 | 1,67,299.69 | 34,882.55 | 2,02,182.24 |
| Non-controlling interest on acquisition of subsidiary | - | - | - | - | - | - | - | - | (47.55) | (47.55) |
| Profit for the year | - | 94,197.62 | - | - | - | - | - | 94,197.62 | 14,503.59 | 1,08,701.21 |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | - | - | - | (257.12) | - | (257.12) | (22.45) | (279.58) |
| Remeasurement of equity instruments (net of tax) | - | - | - | - | - | - | (523.29) | (523.29) | (104.05) | (627.33) |
| Dividends paid | - | (3,962.93) | - | - | - | - | - | (3,962.93) | (828.76) | (4,791.69) |
| Balance as on March 31, 2023 | 14,572.54 | 2,00,681.00 | 6,500.00 | 277.50 | 36,934.35 | (1,818.92) | (392.51) | 2,56,753.97 | 48,383.34 | 3,05,137.30 |

The Board of Directors of the Company recommended a Dividend of ₹10/- per share (for the year ended March 31, 2022 dividend of ₹ 6.00/- per share) be paid on fully paid Equity Shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is ₹ 6604.89 Lakhs (for the year ended March 31, 2022 dividend ₹ 3962.93 Lakhs).

- Security Premium Account :** This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings :** This Reserve represents the cumulative profits of the Company and effects of measurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Capital Redemption Reserve :** This Reserve has been created in relation to debenture issuance and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Equity Share Warrant Forfeited:** This Reserve represents forfeiture of share warrant by failing to meet purchase requirements and can be utilised in accordance with the provisions of the Companies Act, 2013.

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(₹ in Lakhs)

- e. **General Reserve** : This Reserve created by an appropriation from one component of Equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.
- f. **Other Comprehensive Income** : Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.

| | | As at | |
|----------------|--|-----------------|------------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 21 | NON CURRENT BORROWINGS | | |
| | Non-current Borrowings | | |
| | Secured (At amortized cost) | | |
| | Term Loans | | |
| | From Banks | | |
| | Rupee Loans | 66.00 | 15,824.00 |
| | Foreign Currency Loans | 4,354.44 | 8,709.03 |
| | Total Term Loans | 4,420.44 | 24,533.03 |
| | Less: Unamortised value of transaction cost | 8.60 | 36.72 |
| | Less: Current maturities of Long Term Borrowings | 3,483.55 | 8,671.34 |
| | Total Non-Current Term Loans | 928.29 | 15,824.97 |
| | Unsecured (At amortized cost) | | |
| | Other Loans | | |
| | i) From Others | | |
| | Interest Free Loan under Sales Tax Defferment Scheme | | |
| | from State Government of Karnataka | 7,645.47 | 9,134.84 |
| | Add: Ind AS fair value adjustment | 289.49 | 235.31 |
| | Less: Current maturity of Long Term Borrowings | 1,905.66 | 1,686.57 |
| | Total Other Loans | 6,029.30 | 7,683.58 |
| | Total Non-Current Borrowings | 6,957.59 | 23,508.55 |

Nature of Security

Term loans

- 1) ECB Euro Loan from Standard Chartered Bank (SCB) is secured by way of a first charge on the movable fixed assets of the Company pertaining to the Paper Division at Dandeli ranking pari passu with Non Convertible Debentures, other term loan facilities and Short Term Loan from SCB.
- 2) Term loan from IDFC First Bank Limited is secured against inventory and receivables of the subsidiary, West Coast Opticable Limited.

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(₹ in Lakhs)

Terms of repayment of term loan and other loans

As at March 31, 2023

| Particulars | Amount Outstanding | Period | Terms of Repayment |
|---|--------------------|-----------------------|-----------------------|
| Rupee Loan | | | |
| IDFC First Bank (ROI 8.9%) | 211.50 | Dec 2020 - Nov 2024 | Monthly instalments |
| Foreign Currency Loan: | | | |
| Standard Chartered Bank - ECB € Loan (3 Months EURIBOR + 2.25%) | 4,354.44 | May 2019 - April 2024 | Quarterly instalments |
| Interest Free Sales tax Loan | 7,864.52 | June 2014 - June 2025 | Yearly instalments |
| Total term loan | 12,430.46 | | |

As at March 31, 2022

| Particulars | Amount Outstanding | Period | Terms of Repayment |
|---|--------------------|-----------------------|-----------------------|
| Rupee Loan | | | |
| ICICI Bank Ltd. (1 Year MCLR + 0.6%) | 5,500.00 | Sept 2020 - Aug 2024 | Quarterly instalments |
| ICICI Bank Ltd (3 Months T-Bills + 0.6%) | 10,000.00 | Dec 2021-June 2025 | Quarterly instalments |
| IDFC First Bank (ROI 8.9%) | 324.00 | Dec 2020 - Nov 2024 | Monthly instalments |
| Foreign Currency Loan: | | | |
| Standard Chartered Bank - ECB € Loan (3 Months EURIBOR + 2.25%) | 7,380.33 | May 2019 - April 2024 | Quarterly instalments |
| Axis Bank Limited - ECB \$ Loan (3 months Libor + 1.75%) | 1,328.69 | Feb 2020 - Aug 2022 | Quarterly instalments |
| Interest Free Sales tax Loan | 9,134.84 | June 2014 - June 2025 | Yearly instalments |
| Total Term Loan | 33,667.86 | | |

| | As at | |
|--|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 22 LEASE LIABILITIES | | |
| Non-Current | | |
| Lease Liabilities | 2,359.07 | 2,779.63 |
| Total Non-Current Other Lease Liabilities | 2,359.07 | 2,779.63 |
| Current | | |
| Lease Liabilities | 512.16 | 467.21 |
| Total Current Other Lease Liabilities | 512.16 | 467.21 |
| Total Lease Liabilities | 2,871.23 | 3,246.84 |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | As at | |
|--|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 |
| Note 23 OTHER FINANCIAL LIABILITIES | | |
| Non-current | | |
| Dealer Deposits | 4,081.96 | 4,559.47 |
| Deferred Government Grant | 774.80 | 1,356.30 |
| Total Non-Current Other Financial Liabilities | 4,856.76 | 5,915.77 |
| Current | | |
| Current maturities of Deferred Government Grant | 580.17 | 578.74 |
| Interest accrued but not due on borrowings | 67.65 | 69.49 |
| Unpaid dividend | 154.66 | 120.91 |
| Trade or security deposits received | 3,230.93 | 3,020.90 |
| Other financial liabilities | 13,001.03 | 8,793.35 |
| Payable on purchase of fixed assets | 305.02 | 386.13 |
| Total Current Other Financial Liabilities | 17,339.46 | 12,969.52 |
| Total Other Financial Liabilities | 22,196.22 | 18,885.29 |
| Note 24 DEFERRED TAX LIABILITIES | | |
| Deferred tax liabilities on account of WDV of fixed assets | 11,658.80 | 12,352.98 |
| | 11,658.80 | 12,352.98 |
| Deferred tax assets on account of: | | |
| Carried forward of unabsorbed depreciation | 5.25 | - |
| Disallowances under Income Tax Act, 1961, allowed on payment basis | (1,527.81) | (1,532.06) |
| Long term capital loss carried forward | (22.75) | (22.75) |
| Financial assets at FVTOCI | (18.17) | 95.08 |
| Provision for doubtful debts | (22.58) | (29.87) |
| Others | (102.23) | 81.16 |
| | (1,688.29) | (1,408.44) |
| Total Deferred Tax Liabilities | 9,970.52 | 10,944.54 |
| Less: MAT Credit (Entitlement)/ Reversals | - | - |
| Total Deferred Tax Liabilities Net of MAT Credit | 9,970.52 | 10,944.54 |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | As at | |
|---|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 25 OTHER NON-CURRENT LIABILITIES | | |
| Decommissioning & Dismantling liability | 8,380.16 | 7,974.55 |
| Total Other Non-Current Liabilities | 8,380.16 | 7,974.55 |
| Reconciliation | | |
| Opening Balance | 7,974.55 | 7,568.59 |
| Unwinding of interest and effect of change in discount rate | 405.61 | 405.96 |
| Closing balance | 8,380.16 | 7,974.55 |

| | | |
|---------------------------------------|------------------|------------------|
| Note 26 CURRENT BORROWINGS | | |
| Current | | |
| Secured | | |
| Loan repayable on demand from banks* | 7,513.85 | 6,720.95 |
| Current maturities of long term debts | 3,855.44 | 8,671.34 |
| Unsecured | | |
| Loan repayable on demand from banks* | - | 4,000.00 |
| Current maturities of long term debts | 1,905.66 | 1,686.57 |
| Total Current Borrowings | 13,274.95 | 21,078.86 |

* The short term loans from Banks are secured by Joint Hypothecation of Stores, Spares, Raw Materials, Stock-in-process, Finished Goods, Book Debts etc., ranking pari-passu charge

| | | |
|---|------------------|------------------|
| Note 27 TRADE PAYABLES | | |
| Trade Payables | | |
| Total outstanding dues of Micro, and Small Enterprises [Refer Note no. 52] | 3,580.37 | 3,674.01 |
| Total outstanding dues of creditors other than Micro, and Small Enterprises | 26,901.78 | 23,869.68 |
| Total Trade Payables | 30,482.15 | 27,543.69 |

Trade Payable ageing

| Sl. No | Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment as on 31.03.2023 | | | | Total |
|--------|------------------------|------------------|------------------|---|--------------|--------------|-------------------|------------------|
| | | | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| i) | MSME | - | 2,570.09 | 962.85 | 32.12 | 2.54 | 12.77 | 3,580.37 |
| ii) | Others | 11,583.42 | 10,319.66 | 4,840.95 | 49.57 | 28.53 | 79.65 | 26,901.78 |
| iii) | Disputed Dues - MSME | - | - | - | - | - | - | - |
| iv) | Disputed Dues - Others | - | - | - | - | - | - | - |
| | Total | 11,583.42 | 12,889.75 | 5,803.81 | 81.70 | 31.07 | 92.42 | 30,482.15 |

| Sl. No | Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment as on 31.03.2022 | | | | Total |
|--------|------------------------|-----------------|------------------|---|--------------|--------------|-------------------|------------------|
| | | | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| i) | MSME | - | 2,565.58 | 1,072.66 | 19.19 | 11.13 | 5.45 | 3,674.01 |
| ii) | Others | 8,939.96 | 7,947.81 | 6,865.74 | 31.45 | 19.69 | 65.02 | 23,869.68 |
| iii) | Disputed Dues - MSME | - | - | - | - | - | - | - |
| iv) | Disputed Dues - Others | - | - | - | - | - | - | - |
| | Total | 8,939.97 | 10,513.39 | 7,938.40 | 50.64 | 30.82 | 70.47 | 27,543.69 |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | As at | |
|--|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 28 OTHER CURRENT LIABILITIES | | |
| Statutory liabilities | 2,104.96 | 1,761.27 |
| Other liabilities | 6,087.30 | 5,854.97 |
| Total Other Current Liabilities | 8,192.26 | 7,616.24 |

| | | |
|--|-----------------|-----------------|
| Note 29 PROVISIONS | | |
| Non-Current | | |
| Provision for Employee benefit (Refer Note 46) | 1,054.14 | 762.46 |
| Total Non-Current Provisions | 1,054.14 | 762.46 |
| Current | | |
| Provision for Employee benefit (Refer Note 46) | 1,055.95 | 1,494.56 |
| Other Provisions | | |
| For contingencies (Refer Note 62) | 5,064.83 | 5,361.97 |
| For others | 2,357.42 | 2,357.43 |
| Total Current Provisions | 8,478.20 | 9,213.96 |
| Total Provisions | 9,532.34 | 9,976.42 |

| | For the year ended | |
|--|--------------------|--------------------|
| | March 31, 2023 | March 31, 2022 |
| Note 30 REVENUE FROM OPERATIONS | | |
| Sales of Products | | |
| Paper and Board | 4,68,687.55 | 3,22,540.87 |
| Cables | 19,868.88 | 11,841.44 |
| Wind Power | 18.17 | 24.10 |
| Other Operating Revenues | | |
| Export Promotion Incentive | 465.18 | 567.12 |
| Scrap Sales | 2,158.30 | 1,830.38 |
| Total Revenue from Operations | 4,91,198.08 | 3,36,803.91 |

| | | |
|--|---------------|---------------|
| Note 31 REVENUE FROM TRADING OPERATIONS | | |
| Revenue from Trading Operations | 878.19 | 963.08 |
| Total Revenue from Trading Operations | 878.19 | 963.08 |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | | For the year ended | |
|----------------|--|--------------------|--------------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 32 | OTHER INCOME | | |
| | Interest Income | | |
| | From Banks | 593.65 | 1,036.30 |
| | From Others | 3,961.16 | 1,547.61 |
| | Other Non - Operating Income | | |
| | Profit on sale of Property, plant & equipment | 9.42 | - |
| | Rent received | 51.16 | 50.67 |
| | Income from government grant | 580.07 | 583.55 |
| | Profit on sale/ fair value of Investment | 600.05 | 213.49 |
| | Liabilities and provisions written back | 794.97 | 1,644.22 |
| | Dividend Income | 20.15 | 0.14 |
| | Others | 1,146.02 | 746.28 |
| | Total Other Income | 7,756.65 | 5,822.26 |
| Note 33 | COST OF MATERIALS CONSUMED | | |
| | Pulp Wood, Pulp & Waste Paper | 1,18,593.00 | 95,289.87 |
| | Optical Fiber, PBT, HDPE & Others | 15,100.39 | 8,768.94 |
| | Chemicals & Dyes | 62,054.87 | 49,634.43 |
| | Packing Materials | 10,568.87 | 10,465.77 |
| | Total Cost of Raw Materials Consumed | 2,06,317.13 | 1,64,159.01 |
| Note 34 | PURCHASES OF STOCK IN TRADE | | |
| | Purchase of Trading Goods | 750.36 | 780.05 |
| | Total Cost of Material Consumed | 750.36 | 780.05 |
| Note 35 | CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS | | |
| | Opening Stock of Finished Goods | | |
| | - Paper and Board | 1,518.10 | 6,909.95 |
| | - O. F. C. Cables, etc. | 1,102.15 | 792.26 |
| | | 2,620.25 | 7,702.21 |
| | Closing Stock of Finished Goods | | |
| | - Paper and Board | 4,295.22 | 1,518.10 |
| | - O. F. C. Cables, etc. | 1,154.40 | 1,102.15 |
| | | 5,449.62 | 2,620.25 |
| | Change in Inventory of Finished Goods | (2,829.37) | 5,081.96 |
| | Opening Stock of Work-in-progress | 1,955.65 | 1,583.41 |
| | Closing Stock of Work-in-progress | 1,974.94 | 1,955.65 |
| | Changes in inventory of Work-in-progress | (19.29) | (372.24) |
| | Total changes in inventory of WIP and Finished goods | (2,848.66) | 4,709.72 |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | | For the year ended | |
|----------------|--|--------------------|------------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 36 | EMPLOYEE BENEFITS EXPENSE | | |
| | Salaries, Wages and Bonus | 31,072.92 | 29,664.68 |
| | Contribution to Provident & Other Funds | 2,434.83 | 2,284.44 |
| | Staff Welfare Expense | 3,160.68 | 3,911.98 |
| | Total Employee Benefits Expense | 36,668.43 | 35,861.10 |
| Note 37 | FINANCE COSTS | | |
| | Interest Expense: | | |
| | Term Loans | 849.12 | 3,014.39 |
| | Others | 1,905.38 | 1,911.51 |
| | Interest cost on Sales Tax Loan | 637.74 | 690.09 |
| | Other Borrowing Costs | 273.48 | 644.53 |
| | Net Loss (Gain) on Foreign Currency Transactions & Translation | 41.57 | (390.79) |
| | Total Finance Costs | 3,707.29 | 5,869.73 |
| Note 38 | DEPRECIATION AND AMORTISATION EXPENSE | | |
| | Depreciation on Property, Plant and Equipment's | 17,421.75 | 19,446.69 |
| | Amortization of Right of use Assets | 568.21 | 817.27 |
| | Amortisation of Intangible Assets | 957.05 | 989.09 |
| | Total Depreciation and Amortisation | 18,947.01 | 21,253.05 |
| Note 39 | OTHER EXPENSES | | |
| | Consumption of Stores & Spare Parts | 13,510.35 | 11,485.94 |
| | Power, coal and water | 46,858.62 | 35,671.10 |
| | Rent | 259.88 | 341.04 |
| | Repair and maintenance of Buildings | 3,848.40 | 2,463.21 |
| | Repair and maintenance of Plant and Machinery | 5,515.04 | 4,746.31 |
| | Repair and maintenance of other assets | 996.28 | 932.15 |
| | Insurance | 1,273.30 | 1,252.16 |
| | Rates & Taxes | 370.46 | 423.92 |
| | Research & Development expenses | 74.71 | 62.10 |
| | Miscellaneous expenses | 4,887.29 | 4,126.42 |
| | Payment to Auditors | 82.04 | 112.83 |
| | Foreign exchange variation | (11.79) | - |
| | Forwarding charges on Sales | 2,683.91 | 4,263.06 |
| | Commission on sales | 759.48 | 787.28 |
| | Provision for doubtful debts | 40.17 | - |
| | Commission to Director | 4,612.60 | 923.37 |
| | Directors' fees | 46.75 | 105.02 |
| | Charity & donations | 75.00 | 30.50 |
| | Corporate Social Responsibility expenses (Refer Note 51) | 630.71 | 773.22 |
| | Loss on discard of assets | 114.25 | 12.28 |
| | Loss on sale of Property, plant & equipment | 342.62 | 404.35 |
| | Total Other Expenses | 86,970.07 | 68,916.26 |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

| | For the year ended | |
|--|--------------------|-------------------|
| | March 31, 2023 | March 31, 2022 |
| Note 40 INCOME TAX EXPENSE | | |
| Current Tax Expense | | |
| Current Tax on profits for the year | 41,872.02 | 10,194.02 |
| Current Tax on profits for earlier years | (444.60) | (0.45) |
| MAT Credit (Entitlement)/ Reversals for earlier years | (18.54) | - |
| Total Current Tax Expense | 41,408.88 | 10,193.57 |
| Deferred Tax | | |
| Decrease / (increase) in Deferred Tax Assets | | |
| Property, Plant and Equipment | (2,044.07) | (2,297.96) |
| (Decrease) / increase in Deferred Tax Liabilities | | |
| Disallowance under section 43B | 77.62 | (322.97) |
| Tax holiday period | - | 1.03 |
| Adjustments to Ind AS | (171.98) | (233.59) |
| Provision for doubtful debts | (6.66) | 23.82 |
| Others | (182.08) | 88.36 |
| Total Deferred Tax Expense / (Income) | (2,327.17) | (2,741.31) |
| Total Income Tax Expense | 39,081.71 | 7,452.26 |

| | As at | |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Note 41 CONTINGENT LIABILITIES AND COMMITMENTS | | |
| Contingent Liabilities & Commitments | | |
| a. Contingent Liabilities : | | |
| I. Claims against the Company not acknowledged as debts in respect of | | |
| a. Income tax matters, pending decisions on various appeals made by the Group and by the Department (refer Note I below) (refund adjusted against demand ₹ 657 Lakhs, Previous Year ₹ 657 Lakhs) | 2,820.15 | 3,151.69 |
| b. Excise matters, Service Tax & GST under dispute | 3,325.91 | 2,089.49 |
| c. Custom matter under dispute | 540.27 | 540.27 |
| d. Sales Tax matter under dispute | 511.04 | 511.04 |
| e. Other matters under dispute | 2,282.04 | 3,445.38 |
| b. Commitments : | | |
| I. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance of ₹ 4,798.86 Lakhs - Previous Year ₹ 626.54 Lakhs) | 34,740.54 | 6,901.98 |

Notes :

I Income Tax

- a. The Income Tax assessments of the Holding Company have been completed up to AY 2017-18.
- b. In the books of Accounts, the Holding Company is accounting Income tax refunds after adjustment of tax demands by IT authorities, if any. The matters are pending before High Court and ITAT for various issues. Based on legal opinion the Holding Company is contesting those tax demands/ disallowances at appropriate level.

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as at and for the year ended March 31, 2023 (Contd.) (All amounts of ₹ In Lakhs except share data and unless otherwise stated)

The company has therefore not recorded adjustment of taxes/order in books.

c. MATERIAL DEMANDS AND DISPUTES CONSIDERED AS "REMOTE" BY THE HOLDING COMPANY:

The Holding Company claimed deduction under Section 80 IA of the Income Tax Act 1961 in its return for Power Undertaking for Financial Year 1998-99 to 2021-22 and for Effluent (Water) treatment for financial year 2016-17 to 2021-22. The assessing officer disallowed the benefit of deductions at assessment stage. Company had preferred appeals with Commissioner Appeals and / or ITAT. The ITAT partly allowed the appeals of the company. Department / Company have preferred appeal against the order of ITAT. As advised by legal advisors, Company has a strong case / merit for claiming the deduction and thus expects a favorable outcome.

d. The total demand outstanding as on 31.03.2023 on account of income tax dues is ₹ 2820.15 lakhs (Previous year ₹ 3151.69 lakhs), net of tax paid/adjusted under protest ₹ 657 Lakhs.

Note 42 LOAN PURCHASE AGREEMENT

The Holding Company had entered into a loan purchase agreement with ICICI Bank Ltd. for ₹ 4000 Lakhs in respect of borrowings of Shree Rama Newsprint Limited (SRNL) after sale of its investment in shares of SRNL. The loan purchase agreement stipulates that upon occurrence of default ICICI Bank Ltd. will have "a right" to require the Holding Company to purchase the loan outstanding of SRNL along with transfer of underlying security by ICICI Bank Ltd., to the Holding Company. The outstanding balance as at March 31, 2023 of SRNL loan is ₹ 2979.00 Lakhs with principal repayment due by June 30, 2025. The Holding Company does not foresee any event of default, further the security value is significantly higher than the outstanding loan balance and hence no liability is envisaged in this respect.

Note 43

During the year 2020-21, a supplier has made a claim of approximately ₹ 3,600 Lakhs against the Cable division of the company for alleged breach of contract and had initiated Arbitration proceedings against the company.

The company has received Award dated 16th June 2022 from Hon'ble Sole Arbitrator in favour of it rejecting the claim of supplier. However, the supplier has challenged the award in the Hon'ble High Court of Delhi by filing Petition u/s 34 of Arbitration and Conciliation Act, 1996 seeking to set aside the aforesaid award, and the matter is pending.

| | | For the year ended | |
|----------------|---|--------------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| Note 44 | EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33 : | | |
| | Earnings | | |
| | Profit / (Loss) for the year attributable to Owners | 94,197.62 | 30,703.52 |
| | Shares | | |
| | Number of shares at the beginning of the period | 6,60,48,908 | 6,60,48,908 |
| | Add : Shares issued during the period | - | - |
| | Total number of equity shares outstanding at the end of the period | 6,60,48,908 | 6,60,48,908 |
| | Weighted average number of equity shares outstanding during the period | 6,60,48,908 | 6,60,48,908 |
| | Earnings per share (Basic / Diluted) (Face value ₹ 2/- per share) | 142.62 | 46.49 |



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as at and for the year ended March 31, 2023 (Contd.)

Note 45 RELATED PARTY DISCLOSURES AS PER IND AS 24

I. Relationship :

a. Associate Company

- 1) Speciality Coatings and Laminations Ltd.

b. Enterprises where principal shareholders have control

- 1) Veer Enterprises Ltd.
- 2) Shree Satyanarayan Investments Company Ltd.
- 3) Siddhi Trade & Holdings Pvt. Ltd.
- 4) Rangnath Bangur Charitable Trust
- 5) Shree Ram Trust
- 6) Bangur Trust
- 7) The Marwar Textiles Agency Pvt. Ltd.
- 8) Kilkotagiri & Thirumbadi Plantations Ltd.

c. Key Management Personnel (KMP)

- 1) Shri S.K.Bangur (Chairman & Managing Director)
- 2) Shri Virendraa Bangur (Joint Managing Director)
- 3) Shri Rajendra Jain (Executive Director)
- 4) Shri Rajesh Bothra (w.e.f. 06.08.2022)
- 5) Shri Brajmohan Prasad (Company Secretary)

d. Relative of Key Management Personnel

- 1) Smt. Shashi Bangur
- 2) Shri Saurabh Bangur - Relative of KMP and Joint Managing Director of Andhra Paper Limited, a subsidiary

e. Company in which Director is common

- 1) Gloster Cables Ltd

f. Non-Executive / Independent Directors on the Board

- 1) Smt Shashi Bangur
- 2) Shri Saurabh Bangur
- 3) Shri P N Kapadia (upto 30.05.2022)
- 4) Shri Sudarshan Somani
- 5) Smt Arpita Vinay
- 6) Shri Shiv Ratan Goenka
- 7) Shri Ashok Kumar Garg
- 8) Shri Vinod Balmukand Agarwala (w.e.f 26.05.2022)

g. Post Employment Benefit Plan

- 1) Employees Provident Fund of West Coast Paper Mills Ltd
- 2) Gratuity Fund of West Coast Paper Mills Ltd
- 3) PF Trust of Andhra Paper Ltd

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

II. The following is a summary of related party transactions

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| i. Rent paid / reimbursement of expenses to : | | |
| 1) Veer Enterprises Ltd. | 157.09 | 150.81 |
| 2) Shree Satyanarayan Investment Company Ltd. | 103.72 | 98.40 |
| 3) Siddhi Trade & Holdings Pvt. Ltd. | 19.33 | 17.86 |
| 4) Shri S. K. Bangur | 27.02 | 24.72 |
| 5) Smt. Shashi Bangur | 6.00 | 6.00 |
| 6) The Marwar Textiles Agency Pvt Ltd | 4.54 | 4.25 |
| ii. Charity & Donations : | | |
| 1) Rangnath Bangur Charitable Trust | 75.00 | 30.00 |
| 2) Shree Ram Trust | - | - |
| 3) Bangur Trust | - | - |
| iii. Compensation to KMP and their relative | | |
| Salary & other Employee benefit to directors and Executive Officers | 5,585.45 | 1,796.73 |
| iv. Purchases from Gloster Cables Ltd | 123.62 | 88.27 |
| v. Rent received from Gloster Cables Ltd. | 12.42 | 12.42 |
| vi. Sales to Kilkotagiri & Thirumbadi Plantations Ltd. | 2.60 | 7.00 |
| vii. Contribution to Post Employment Benefit Plan | | |
| 1) Employees Provident Fund of West Coast Paper Mills Ltd | 804.19 | 927.90 |
| 2) Gratuity Fund of West Coast Paper Mills Ltd | 279.05 | 266.97 |
| 3) PF Trust of Andhra Paper Ltd | 491.88 | 495.96 |

III. The Group has the following amounts due to/from related parties :

| | | |
|---|--------|--------|
| i. Due to Related Parties | | |
| 1) Employees Provident Fund of West Coast Paper Mills Ltd | 68.34 | 61.89 |
| 2) Gratuity Fund of West Coast Paper Mills Ltd | 471.24 | 664.64 |
| 3) PF Trust of Andhra Paper Ltd | 40.33 | 55.09 |
| 4) Gloster Cables Ltd. | 43.19 | - |
| ii. Due from Related Parties | | |
| 1) Veer Enterprises Ltd. - Security Deposit | 23.10 | 23.10 |
| 2) Shree Satyanarayan Investments Company Ltd. - Security Deposit | 21.10 | 21.10 |
| 3) Smt. Shashi Bangur - Security Deposit | 2.40 | 2.40 |
| 4) The Marwar Textiles Agency Pvt Ltd | 0.20 | 0.20 |
| 5) Kilkotagiri & Thirumbadi Plantations Ltd. - Sales | 3.44 | - |

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(₹ in Lakhs)

Note 46 EMPLOYEE BENEFIT PLANS

As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

[A] Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under :

| Particulars | For the year | |
|--|--------------|---------|
| | 2022-23 | 2021-22 |
| Employer's Contribution to Provident Fund/Pension Fund | 1837.52 | 1694.82 |
| Employer's Contribution to Superannuation Fund | 59.71 | 65.34 |

[B] Defined Benefit Plan

The following table sets out the status of the Gratuity Plan as required under IND AS-19 :

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

| | | |
|--------------------------------------|------------|----------|
| Opening defined benefit obligation | 8,201.60 | 7,263.83 |
| Current Service cost | 465.19 | 451.71 |
| Interest Cost | 557.45 | 491.10 |
| Benefits paid | (1,186.06) | (986.77) |
| Actuarial losses/(gain) | 347.46 | 981.73 |
| Obligations at the end of the period | 8,385.64 | 8,201.60 |

Change in Plan Assets

| | | |
|-----------------------------------|------------|----------|
| Opening fair value of plan assets | 7,395.90 | 7,336.36 |
| Interest income on plan assets | 504.82 | 465.00 |
| Actuarial gain/(Losses) | (112.48) | 121.62 |
| Contributions by employer | 1,029.13 | 459.47 |
| Benefits paid | (1,186.06) | (986.55) |
| Closing fair value of plan assets | 7,631.31 | 7,395.90 |

Amount recognized in Balance Sheet

| | | |
|-------------------------------------|------------|------------|
| Present value of funded obligations | (8,385.64) | (8,201.60) |
| Fair Value of Plan Assets | 7,631.31 | 7,395.90 |
| Net Asset / (Liability) | (754.33) | (805.70) |

Expense recognised in Other Comprehensive Income

| | | |
|--|----------|----------|
| Current service cost | 465.19 | 451.71 |
| Interest Cost | 557.45 | 491.10 |
| Interest income on plan assets | (504.82) | (465.00) |
| Net Income/Expenses recognized in Statement of Profit & Loss | 517.82 | 477.81 |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Expense recognised in Other Comprehensive Income

| Particulars | For the year | |
|--|--------------|----------|
| | 2022-23 | 2021-22 |
| Actuarial (Gain) / Losses on Obligation for the period | 347.46 | 493.20 |
| Return on Plan Assets, Excluding Interest Income | 112.48 | (134.75) |
| Net (Income)/Expenses recognized in Other Comprehensive Income | 459.94 | 358.45 |

Sensitivity Analysis

| | | |
|---|----------|----------|
| Effect of +1% increase in discount rate | (494.99) | (471.61) |
| Effect of -1% decrease in discount rate | 564.67 | 537.09 |
| Effect of +1% increase in Salary rate | 577.69 | 547.97 |
| Effect of -1% decrease in Salary rate | (517.63) | (516.56) |
| Effect of +1% increase in Employee turnover | 125.23 | 131.90 |
| Effect of -1% decrease in Employee turnover | (136.62) | (143.89) |

Maturity Profile of projected benefit obligation from the fund

| | | |
|--------------------------|----------|----------|
| 1st following year | 1,616.11 | 1,937.17 |
| 2nd following year | 667.84 | 718.10 |
| 3rd following year | 684.96 | 735.44 |
| 4th following year | 730.80 | 621.26 |
| 5th following year | 912.22 | 680.67 |
| Sum of years 6 and above | 7,358.54 | 6,459.75 |

Category of Plan Assets

| Managed by: | | |
|---|--------|--------|
| LIC | 39.78% | 33.19% |
| Aditya Birla Capital | 0.95% | 0.93% |
| ICICI Prudential Life Insurance | 22.68% | 22.55% |
| Insurer Managed Funds - APL (LIC- 28% & Aditya Birla - 72%) | 36.59% | 43.33% |

Financial assumptions at the valuation date

| | | |
|--|---------------|---------------|
| Discount rate (WCPM/APL) | 7.50% / 7.55% | 7.23% / 6.90% |
| Estimated rate of return on Plan assets (WCPM/APL) | 7.50% / 7.00% | 7.23% / 7.00% |
| Salary escalation over and above highest of salary in grade (WCPM/APL) | 2.00% / 7.00% | 1.00% / 6.00% |

(All amounts of ₹ In Lakhs except share data and unless otherwise stated)

| Particulars | As at | |
|--|----------|----------|
| | 2022-23 | 2021-22 |
| Number of non-resident shareholders | 630 | 582 |
| Number of shares held by them on which dividend was paid | 3,37,062 | 4,95,733 |
| Amount remitted - net of tax (₹ in lakhs) | 16.01 | 3.87 |

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(₹ in Lakhs)

Note 48 SEGMENT INFORMATION

Pursuant to Accounting Ind As 108 – Segment Reporting, information about Business Segments (Information provided in respect of revenue items for the year ended March 31, 2023 and in respect of assets / liabilities as at March 31, 2023 is disclosed as under :

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as “Unallocable”

| Particulars | Paper | | Cables | | Others | | Total | |
|--|-------------|-------------|-----------|-----------|---------|---------|--------------------|------------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Segment Revenue* | 4,71,242.05 | 3,24,881.49 | 20,816.05 | 12,861.40 | 18.17 | 24.10 | 4,92,076.27 | 3,37,766.99 |
| Segment result before Interest and Taxes | 1,51,578.22 | 47,332.41 | 1,823.82 | 948.54 | (6.56) | (3.98) | 1,53,395.48 | 48,276.96 |
| Less : Unallocable Finance Cost | | | | | | | 3,707.29 | 5,869.73 |
| Less : Unallocable Other Expenditure | | | | | | | 366.90 | 366.90 |
| Less : Unallocable Exceptional Items | | | | | | | 1,538.37 | - |
| Profit / (Loss) Before Tax | | | | | | | 1,47,782.92 | 42,040.33 |
| Tax Expenses : | | | | | | | | |
| Less : Current Tax | | | | | | | 41,427.42 | 10,193.57 |
| Less : MAT Credit (Entitlement) / Reversal | | | | | | | (18.54) | - |
| Less : Deferred Tax | | | | | | | (2,327.17) | (2,741.31) |
| Total Tax Expenses | | | | | | | 39,081.71 | 7,452.26 |
| Profit / (Loss) for the year | | | | | | | 1,08,701.21 | 34,588.07 |
| Other Information : | | | | | | | | |
| Segment Assets | 4,03,944.91 | 3,22,648.99 | 14,319.69 | 11,578.11 | 51.10 | 51.10 | 4,18,315.70 | 3,34,278.20 |
| Segment Liabilities | 1,06,084.73 | 1,26,833.45 | 5,772.69 | 3,941.53 | - | - | 1,11,857.42 | 1,30,774.98 |
| Capital Expenditure | 16,212.94 | 6,055.18 | 68.56 | 231.04 | - | - | 16,281.50 | 6,286.22 |
| Depreciation/Amortisation | 18,708.36 | 20,963.39 | 238.65 | 289.66 | - | - | 18,947.01 | 21,253.05 |

*Intersegmental Revenue during the year was ₹ Nil (Previous year ₹ Nil)

Note 49 EVENT OCCURRING AFTER BALANCE SHEET DATE

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Dividend proposed to be distributed | | |
| The Holding Company has proposed dividend to equity share holders @ ₹10/- per share (Previous Year ₹ 6.00/- per share) | 6,604.89 | 3,962.93 |

Note 50

As per Ind AS 41 on “Agriculture” the Group has fair valued its matured crops except for the crops fully matured at its Kuluwali plantation, Karnataka, since there is an on-going litigation and same will be accounted in the books of accounts upon the final disposal of the case.

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Note 51 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES

[a] Corporate Social Responsibility (CSR): Where the company covered under section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities:-

| Sr. No. | Particulars | For the year ended | |
|---------|---|--------------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| a | Gross amount required to be spent by the company (Budget) | 631.43 | 770.77 |
| b | Amount required to be set off for the financial year | 2.45 | - |
| c | Gross amount required to be spent by the company (Obligation) | 628.98 | 770.77 |
| d | Amount spent during the year | 630.71 | 773.22 |
| e | Excess Amount spent during the year | 1.73 | 2.45 |

[b] Details of ongoing projects along with :

As per Sec.135(6) (Ongoing Project)

| Opening Balance | | Amount required to be spent during the year | Amount spent during the year | | Closing Balance | |
|-----------------|-----------------------------|---|------------------------------|-------------------------------|-----------------|-----------------------------|
| With Company | In Separate CSR unspent A/c | | From Company's A/c | From Separate CSR unspent A/c | With Company | In Separate CSR unspent A/c |
| - | 303.96 | - | 230.07 | - | 73.89 | |

Note 52 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

| Sr. No. | Particulars | As at | |
|---------|--|----------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| a | Principal amount remaining unpaid to suppliers at the end of the year | 3,580.37 | 3,674.01 |
| b | Interest due thereon remaining unpaid to suppliers at the end of the year | 24.33 | 23.90 |
| c | The amount of interest paid along with the amounts of the payment made to suppliers beyond the appointed day | 6.69 | - |
| d | The amount of interest due and payable | - | - |
| e | The amount of interest accrued and remaining unpaid at the end of accounting year | 24.33 | 23.90 |
| | | 3635.72 | 3697.91 |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Note 53 INCOME TAX

| Particulars | For the year ended | |
|--|--------------------|------------------|
| | March 31, 2023 | March 31, 2022 |
| a. Amount recognised in Statement of Profit and Loss | | |
| Current Income Tax | | |
| - Current Year | 41,427.42 | 10,193.57 |
| - Previous Year | - | - |
| - MAT Credit Entitlement/reversal | (18.54) | - |
| Total | 41,408.88 | 10,193.57 |
| Deferred Tax | (2,327.17) | (2,741.31) |
| Income Tax Expense reported in the Statement of Profit & Loss | 39,081.71 | 7,452.26 |
| b. Reconciliation of effective tax rate | | |
| Profit Before Tax | 1,47,782.92 | 42,040.33 |
| Tax at applicable Statutory Income Tax Rate | 51,641.25 | 14,690.57 |
| Effect of Various Disallowance of expenses | 152.95 | 474.79 |
| Effect of Deduction under chapter VIA of IT Act | (6,530.04) | (6,396.81) |
| Effect of reinstatement on Ind AS adoption | 210.69 | 180.77 |
| Effect of Ind AS Adjustments to reduce DTL | (151.56) | (233.59) |
| Effect of timing differences in Depreciation | (425.71) | 104.25 |
| Effect of change in rate of tax | (5,874.24) | (1,468.08) |
| Other Differences | 58.37 | 100.35 |
| Tax Expense recognised in Statement of Profit & Loss | 39,081.71 | 7,452.26 |

Note 54 INFORMATION RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (IND AS 110)

- a The Company has prepared consolidated financial statements as required under Ind AS110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statements is available on Company's website for public use.
- b At the end of the year the Company has one Associate Company as defined in Section 2(6) of Companies Act 2013. The Investment in Associate Company has been fully impaired in earlier years, in accordance with Para 38 & 39 of Ind AS 28, the company has not recognised additional loss over the investment during the year.

Note 55 COMPANIES INCLUDED / NOT INCLUDED IN CONSOLIDATION

The wholly owned subsidiary of Andhra Paper Ltd., Andhra Paper Foundation (Formerly known as IP India Foundation), carries out Corporate Social Responsibility activities. The same is not considered for the purpose of consolidation, as the objective of control over this entity is not to obtain economic benefits from its activities.

Notes to Consolidated Financial Statements

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(₹ in Lakhs)

Note 56 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

| Sl. No | Particulars | Note | As at | | | |
|----------|---|------|----------------|--------------|----------------|--------------|
| | | | March 31, 2023 | | March 31, 2022 | |
| | | | Carrying Value | Fair Value * | Carrying Value | Fair Value * |
| 1 | Financial Assets Designated at Fair Value through Profit and Loss | | | | | |
| i) | Derivatives - not designated as hedging instruments | | - | - | - | - |
| ii) | Investment in Equity Shares | 5 | 64.94 | 64.94 | 70.21 | 70.21 |
| iii) | Investment in Mutual Fund | 7 | 39,481.60 | 39,481.60 | 17,865.07 | 17,865.07 |
| iv) | Investment in Bonds | 7 | - | - | - | - |
| 2 | Financial Assets designated at Fair Value through Other Comprehensive Income | | | | | |
| i) | Investment in Equity Shares | 7 | 2,570.15 | 2,570.15 | 1,947.00 | 1,947.00 |
| 3 | Financial Assets designated at Amortised Cost | | | | | |
| i) | Investment in Bonds | 7 | 78,071.55 | 78,071.55 | 22,406.56 | 22,406.56 |
| ii) | Investment in Commercial Papers | 7 | 10,799.03 | 10,799.03 | 4,899.57 | 4,899.57 |
| iii) | Others | 7 | 0.10 | 0.10 | 0.10 | 0.10 |
| iv) | Trade receivables | 14 | 33,230.49 | 33,230.49 | 24,229.31 | 24,229.31 |
| v) | Cash and Cash Equivalents | 15 | 3,609.34 | 3,609.34 | 2,616.29 | 2,616.29 |
| vi) | Other Bank Balances | 16 | 3,894.70 | 3,894.70 | 3,397.85 | 3,397.85 |
| vii) | Loans | 8 | 3,686.07 | 3,686.07 | 10,596.60 | 10,596.60 |
| viii) | Other Financial Assets | 9 | 1,957.79 | 1,957.79 | 1,787.96 | 1,787.96 |
| 4 | Investment in step down subsidiary company | 7 | 5.00 | 5.00 | 5.00 | 5.00 |

* There are no Financial Assets or Liabilities which fall under level 2 & 3.

Financial Liabilities

| Sl. No | Particulars | Note | As at | | | |
|----------|--|-------|----------------|-------------|----------------|-------------|
| | | | March 31, 2023 | | March 31, 2022 | |
| | | | Carrying Value | Fair Value* | Carrying Value | Fair Value* |
| 1 | Financial Liability Designated at Fair Value through Profit or Loss | | | | | |
| i) | Derivatives - not designated as hedging instruments | | - | - | - | - |
| 2 | Financial Liability designated at Amortised Cost | | | | | |
| i) | Borrowings | 21,26 | 20,232.54 | 20,232.54 | 44,587.41 | 44,587.41 |
| ii) | Trade payables | 27 | 30,482.15 | 30,482.15 | 27,543.69 | 27,543.69 |
| iii) | Other financial liabilities | 23 | 20,686.59 | 20,686.59 | 16,829.34 | 16,829.34 |
| iv) | Lease Liabilities | 22 | 2,871.23 | 2,871.23 | 3,246.84 | 3,246.84 |

*The fair value of financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note 57 FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND DISCLOSURES

1 Financial Risk

The Group's operational activities expose to various financial risks i.e., market risk, credit risk and risk of liquidity. The Group realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Group uses derivative financial instruments to reduce foreign exchange risk exposures.

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as at and for the year ended March 31, 2023 (Contd.)

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a Foreign currency risk and sensitivity

The primary market risk to the company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposure and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuation in foreign currency exchange rate(s).

| Particulars | USD / EURO outstanding in terms of ₹ Lakhs | |
|--|--|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Financial Assets | | |
| Cash and cash equivalents | 9.00 | 620.19 |
| Trade receivables | 1,818.45 | 1,379.80 |
| Other financial assets (including loans) | - | - |
| Financial Liabilities | | |
| Trade payables | 1,211.24 | 242.01 |
| Borrowings | 4,354.44 | 8,709.03 |
| Interest accrued but not due | 23.76 | 42.58 |
| Net Assets / Liabilities | 3,761.99 | 6,993.63 |

The following significant exchange rates have been applied

(Currency in ₹)

| Particulars | As at | |
|-------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| USD | 82.17 | 75.79 |
| Euro | 89.44 | 84.22 |

Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upto conversion into functional currency, due to exchange rate fluctuation between the previous reporting period and the current reporting period.

0.25% increase and decrease in foreign exchanges rates will have the following impact on profit before tax

(₹ in Lakhs)

| Particulars | 2022-23 | | 2021-22 | |
|------------------------|----------------|----------------|----------------|----------------|
| | 0.25% increase | 0.25% decrease | 0.25% increase | 0.25% decrease |
| USD / EURO Sensitivity | (9.40) | 9.40 | (17.48) | 17.48 |

Summary of Exchange difference accounted in Statement of Profit and Loss :

Notes to Consolidated Financial Statements

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(₹ in Lakhs)

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Currency fluctuations | | |
| Net foreign exchange (gain)/ losses shown as operating expenses | 35.55 | (68.91) |
| Net foreign exchange (gain)/ losses shown as Finance Cost | 41.57 | (390.79) |
| Net foreign exchange (gain)/ losses shown as Other Income | - | - |
| Derivatives | | |
| Currency forwards (gain) / losses shown as operating expenses | - | - |
| Interest rate swaps (gain) / losses shown as finance cost | - | - |
| Net foreign exchange (gain)/ losses shown as Other Income | - | - |
| Total | 77.12 | (459.70) |

b. Interest rate risk and sensitivity

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Group has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Group to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the Group and impact of floating rate borrowings on company's profitability.

Interest rate risk exposure

| Particulars | As at | | | |
|--------------------------|-----------------|-------------|-----------------|-------------|
| | March 31, 2023 | | March 31, 2022 | |
| Fixed Rate borrowings | - | - | - | - |
| Variable Rate borrowings | 4,354.44 | 100% | 8,709.03 | 100% |
| Total | 4,354.44 | 100% | 8,709.03 | 100% |

Sensitivity on variable rate borrowings

| Particulars | Impact on Profit and Loss A/c | | Impact on Equity | |
|---------------------------------|-------------------------------|----------------|------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Interest rate increase by 0.25% | (10.89) | (21.77) | (10.89) | (21.77) |
| Interest rate decrease by 0.25% | 10.89 | 21.77 | 10.89 | 21.77 |

ii Credit Risk

The Group evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Group secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances / deposits and credit limit determined by the Group. The Group have stop supply mechanism in place in case outstanding goes beyond agreed limits.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹27314.41 Lakhs and ₹13,768.88 Lakhs as of March 31, 2023 and March 31, 2022, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Group's historical experience for customers.

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

| Particulars | For the year ended | |
|---------------------------------|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Revenue from top customer | 3.74% | 3.87% |
| Revenue from top five customers | 14.20% | 16.18% |

a Credit risk exposure

The allowance for life time expected credit loss on customer balances for the year ended 31st March 2023 was ₹581.78 Lakhs

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Balance at the beginning | 552.84 | 604.12 |
| Impairment loss reversed | - | (51.28) |
| Additional provision created during the year (net) | 28.94 | - |
| Balance at end | 581.78 | 552.84 |

b Ageing analysis of Trade Receivables (Unsecured)

| Particulars | For the year ended March 31, 2023 | | | | For the year ended March 31, 2022 | | | |
|-------------|-----------------------------------|---------------|---------------|-----------------|-----------------------------------|---------------|---------------|-----------------|
| | Not due | Upto 6 months | 6 - 12 months | Above 12 months | Not due | Upto 6 months | 6 - 12 months | Above 12 months |
| Unsecured | 25415.76 | 1,248.20 | 39.61 | 610.84 | 9617.30 | 2,875.28 | 601.67 | 674.63 |

iii Liquidity Risk

Liquidity risk arises when the Group will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Group uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2023

| Particulars | Carrying amount | Less than 1 Year | 1 - 5 Years | More than 5 Years | Total |
|--|-----------------|------------------|-------------|-------------------|-----------|
| Borrowings - Current | 13,274.95 | 13,274.95 | - | - | 13,274.95 |
| Borrowings - Non-current | 6,957.59 | - | 6,957.59 | - | 6,957.59 |
| Trade payables | 30,482.15 | 30,482.15 | - | - | 30,482.15 |
| Lease Liabilities - Current | 512.16 | 512.16 | - | - | 512.16 |
| Lease Liabilities - Non-current | 2,359.07 | - | 2,048.64 | 310.43 | 2,359.07 |
| Other Financial Liabilities | | | | | |
| a) Interest accrued but not due on loans | 67.65 | 67.65 | - | - | 67.65 |
| b) Deferred Government Grant | 1,354.97 | 580.17 | 774.80 | - | 1,354.97 |
| c) Unpaid dividend | 154.66 | 154.66 | - | - | 154.66 |
| d) Other financial liabilities | 13,001.03 | 13,001.03 | - | - | 13,001.03 |
| e) Payable on purchase of fixed assets | 305.02 | 305.02 | - | - | 305.02 |
| f) Trade or security deposits received | 7,312.89 | 3,230.93 | 4,081.96 | - | 7,312.89 |

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022

| Particulars | Carrying amount | Less than 1 Year | 1 - 5 Years | More than 5 Years | Total |
|--|-----------------|------------------|-------------|-------------------|-----------|
| Borrowings - Current | 21,078.86 | 21,078.86 | - | - | 21,078.86 |
| Borrowings - Non-current | 23,508.55 | - | 23,508.55 | - | 23,508.55 |
| Trade payables | 27,543.69 | 27,543.69 | - | - | 27,543.69 |
| Lease Liabilities - Current | 467.21 | 467.21 | - | - | 467.21 |
| Lease Liabilities - Non-current | 2,779.63 | - | 1,868.84 | 910.79 | 2,779.63 |
| Other Financial Liabilities | | | | | |
| a) Interest accrued but not due on loans | 69.49 | 69.49 | - | - | 69.49 |
| b) Deferred Government Grant | 1,935.04 | 578.74 | 1,356.30 | - | 1,935.04 |
| c) Unpaid dividend | 120.91 | 120.91 | - | - | 120.91 |
| d) Other financial liabilities | 8,793.35 | 8,793.35 | - | - | 8,793.35 |
| e) Payable on purchase of fixed assets | 386.13 | 386.13 | - | - | 386.13 |
| f) Trade or security deposits received | 7,580.37 | 3,020.90 | 4,559.47 | - | 7,580.37 |

2 Competition and price risk

The Group faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

3 Capital risk management

The Group's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Group may use appropriate means to enhance or reduce capital, as the case may be.

| Particulars | March 31, 2023 | March 31, 2022 |
|--|--------------------|--------------------|
| Borrowings | 20,232.54 | 44,587.41 |
| Less: Cash and Cash equivalents including bank balance | 3,609.34 | 2,616.29 |
| Less: Current investments | 1,07,854.83 | 35,887.29 |
| Net Debt | (91,231.63) | 6,083.83 |
| Equity | 3,06,458.28 | 2,03,503.22 |
| Capital and Net Debt | 2,15,226.65 | 2,09,587.05 |
| Gearing Ratio (Net debt / Capital and Net Debt) | (42.39%) | 2.90% |

Note 58 DERIVATIVE FINANCIAL INSTRUMENTS

- a) The Group has variable interest foreign currency borrowings, to offset the risk of variation in interest rates, the Group has entered into, fix pay and variable receipt, interest rate swaps, these swap contracts are in US Dollar. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

| Particulars | March 31, 2023 | | March 31, 2022 | |
|-------------|----------------|----------------|----------------|----------------|
| | FC in Mn | MTM in ₹ Lakhs | FC in Mn | MTM in ₹ Lakhs |
| US Dollar | - | - | 1.81 | (48.57) |
| EURO | 4.87 | 254.25 | 15.05 | 292.66 |
| | 4.87 | 254.25 | 16.86 | 244.09 |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

b Foreign currency exposure not hedged as at the Balance Sheet date

The foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

| Particulars | March 31, 2023 | | March 31, 2022 | |
|-------------|----------------|----------------|----------------|-----------------|
| | FC in Mn | MTM in ₹ Lakhs | FC in Mn | MTM in ₹ Lakhs |
| US Dollar* | 2.76 | 4,183.85 | 6.22 | 4,748.13 |
| Euro | 4.91 | 4,389.35 | 6.88 | 7,221.33 |
| | 7.67 | 8573.20 | 13.10 | 11969.46 |

* Net of receivables - US Dollar Nil Million - ₹ Nil Lakhs (Previous Year US Dollar 0.06 Million - ₹ 4.77 Lakhs)

Note 59 LEASES

Impact of Ind AS 116 on the statement of profit and loss (In case of West Coast Paper Mills Ltd):

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Interest on lease liabilities | 197.14 | 218.82 |
| Depreciation on right of use assets | 402.36 | 353.30 |
| Less: Lease rental paid | 532.09 | 468.70 |
| Less : Amortisation of prepayment of leasehold land | - | - |
| Impact on the Statement of Profit and Loss for the year | 67.41 | 103.42 |

Impact of Ind AS 116 on the statement of profit and loss (In case of APL) :

| | | |
|--|--------------|----------------|
| Interest on lease liabilities | 61.17 | 112.82 |
| Depreciation on right of use assets | 165.85 | 463.97 |
| Less: Lease rental paid | 201.02 | 607.16 |
| Less : Amortisation of prepayment of leasehold land | - | - |
| Impact on the Statement of Profit and Loss for the year | 26.00 | (30.37) |

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Note 60 DISCLOSURE OF VARIOUS RATIOS

| Particulars | For the year ended | | Variance |
|--|--------------------|----------------|-----------|
| | March 31, 2023 | March 31, 2022 | |
| Current Ratio (Times) (Refer Note 1 below) [Current assets / Current liabilities excluding current maturity of long term debts] | 2.97 | 1.88 | 57.98% |
| Debt Equity Ratio (Times) (Refer Note 2 below) [Total Debt/ Total Equity] | 0.06 | 0.21 | (71.43)% |
| Debt service coverage ratio (Times) (Refer Note 2 below) [EBITDA / (Interest expenses + Repayment of Long-term borrowings)] | 6.67 | 1.85 | 260.54% |
| Return on Equity Ratio (%) (Refer Note 3 below) [Net profit After Taxes/Average Shareholders Equity] | 51.08% | 22.50% | (127.02)% |
| Inventory Turnover (Times - Annualised) (Refer Note 3 below) [Revenue from operations / Average inventory] | 11.08 | 8.36 | 32.54% |
| Trade Receivables turnover ratio (Times - Annualised) [Revenue from operations / Average trade receivables] | 17.13 | 15.14 | 13.14% |
| Trade payables turnover ratio (Times - Annualised) [Net Credit purchases/Average Trade payables] | 9.83 | 8.71 | 12.86% |
| Net Profit Margin (%) (Refer Note 3 below) [PAT / Revenue from operations] | 22.11% | 10.24% | 115.92% |
| Return on Capital employed (%) (Refer Note 3 below) [Earning before interest & Tax / Capital employed] | 59.91% | 24.69% | 142.65% |
| Return on investment (%) [Earnings from Invested Funds / Average Invested Funds in treasury investments] | 5.40% | 6.11% | (11.62)% |

Reasons for variances are as follows :

1. Current Ratio has improved due to higher profits as well as repayment of debts during the year.
2. Debt Equity Ratio & Debt Service coverage Ratio improved due to repayments of Debts & substantially higher EBIDTA during the year.
3. Return on Equity, Net Profit Margin, Net Capital Turnover, Ratio and Return on Capital employed Ratios have improved due to higher revenues and profits during the year.

Note 61

In case of one of the subsidiaries, Andhra Paper Ltd (APL), in the year ended March 31, 2017, the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh upheld the validity of levy of electricity duty @ 25 paise per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. The said subsidiary (along with other petitioners) filed a Special Leave Petition in the Hon'ble Supreme Court, which in the interim, directed the petitioners to pay partial amount without prejudice to the rights and contentions of the petitioners, pursuant to which APL had paid ₹1,502.05 lakhs under protest in the year ended March 31, 2017. The matter is pending hearing.

In view of the inherent uncertainty in predicting the final outcome of the above litigation, the Management of APL has, on grounds of prudence and abundant caution, made a provision amounting to ₹ 3,143.24 lakhs (including ₹ 785.81 Lakhs on account of business combination during the earlier period) towards the potential liability in the event of an unfavourable verdict in this matter. Additionally, an amount of ₹ 785.81 lakhs has been disclosed as a contingent liability. On the basis of the legal advice obtained, in the opinion of the Management of APL, no further provision would be required in relation to this disputed matter.

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as at and for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Note 62

The Group carries a general provision for contingencies towards various disputed matters / claims made against the Company based on the Management's assessment. The movement of this provision account is as under:

| Particulars | As at | |
|--|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Opening Balance | 5,361.97 | 5,361.97 |
| Provision made during the year due to Fair Valuation | - | - |
| Amounts utilized / reversed during the year | (297.14) | - |
| Closing Balance | 5,064.83 | 5,361.97 |

Note 63

Additional Information pursuant to Para 2 to General Information for the Preparation of Consolidated Financial Statements :

For the year 2022-23

| S. No | Name of Entity | Relationship | Net Assets [Total Assets minus Total Liability] | | Share in Profit / (Loss) for the year | | Share in Other Comprehensive Income / (Loss) for the year | | Share in Total Comprehensive Income / (Loss) for the year | |
|-------|----------------------------|-------------------|--|--------------------|---------------------------------------|--------------------|---|-----------------|---|--------------------|
| | | | % of Consolidated net assets | Amount | % of Consolidated Profit | Amount | % of Consolidated other comprehensive income | Amount | % of Consolidated total comprehensive income | Amount |
| 1 | West Coast Paper Mills Ltd | Parent Company | 79.46% | 2,05,051.38 | 62.68% | 59,041.51 | 57.84% | (451.35) | 62.72% | 58,590.16 |
| 2 | Andhra Paper Ltd. | Subsidiary Indian | 20.38% | 52,604.25 | 37.19% | 35,035.59 | 42.18% | (329.19) | 37.15% | 34,706.40 |
| 3 | West Coast Opticable Ltd. | Subsidiary Indian | 0.16% | 419.29 | 0.13% | 120.52 | (0.02)% | 0.14 | 0.13% | 120.66 |
| | Sub Total | | 100.00% | 2,58,074.92 | 100.00% | 94,197.62 | 100.00% | (780.40) | 100.00% | 93,417.21 |
| | Non-controlling interest | | | 48,383.36 | | 14,503.56 | | (126.50) | | 14,377.06 |
| | Grand Total | | | 3,06,458.28 | | 1,08,701.18 | | (906.90) | | 1,07,794.27 |

For the year 2021-22

| S. No | Name of Entity | Relationship | Net Assets [Total Assets minus Total Liability] | | Share in Profit / (Loss) for the year | | Share in Other Comprehensive Income / (Loss) for the year | | Share in Total Comprehensive Income / (Loss) for the year | |
|-------|----------------------------|-------------------|--|--------------------|---------------------------------------|------------------|---|-----------------|---|------------------|
| | | | % of Consolidated net assets | Amount | % of Consolidated Profit | Amount | % of Consolidated other comprehensive income | Amount | % of Consolidated total comprehensive income | Amount |
| 1 | West Coast Paper Mills Ltd | Parent Company | 89.40% | 1,50,753.13 | 71.03% | 21,808.87 | 77.40% | (239.26) | 70.97% | 21,569.65 |
| 2 | Andhra Paper Ltd. | Subsidiary Indian | 10.42% | 17,568.79 | 27.88% | 8,560.27 | 22.65% | (70.02) | 27.93% | 8,490.21 |
| 3 | West Coast Opticable Ltd. | Subsidiary Indian | 0.18% | 298.75 | 1.09% | 334.38 | (0.05)% | 0.14 | 1.10% | 334.52 |
| | Sub Total | | 100.00% | 1,68,620.67 | 100.00% | 30,703.52 | 100.00% | (309.14) | 100.00% | 30,394.38 |
| | Non-controlling interest | | | 34,882.55 | | 3,884.55 | | (26.96) | | 3,857.59 |
| | Grand Total | | | 2,03,503.22 | | 34,588.07 | | (336.10) | | 34,251.97 |

Note 64 OTHER STATUTORY INFORMATION

- The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall;
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or

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as at and for the year ended March 31, 2023 (Contd.)

- ii. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- d) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall;
 - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - ii. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- e) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search, survey or any other relevant provisions of the Income Tax Act, 1961).
- f) The Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction of number of layers) Rules, 2017.
- g) None of the Companies in the Group have been declared wilful defaulter by any bank or financial institutions or lender during the year.
- h) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- i) Quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.
- j) The Group has not carried out revaluation of items of Property, Plant & Equipment during the year and accordingly the disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- k) The Group has used the borrowings from banks and financial statements for the specific purpose for which it was obtained.
- l) The title deeds of all immovable properties (other than immovable properties where the respective Companies is the lessee, and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in progress are held in the name of the respective Companies of the Group as at the balance sheet date.
- m) The Group does not have any transactions with companies which are struck off under Section 288 of the Companies Act 2013 or Section 560 of Companies Act, 1956 during the financial year.

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Note 65 EXCEPTIONAL ITEMS :

During the year ended March 31, 2023, one of the subsidiaries, APL, On temporary closure of Andhra Pradesh Gas Power Corporation Limited (APGPCL), a provision has been created for the value of investment of ₹ 1,538.37 lakhs, which was valued as on March 31, 2022 at ₹ 1,947.02 lakhs. An amount of ₹ 408.05 lakhs has been debited through Other Comprehensive Income (OCI) and the cost of investment is shown as an exceptional item in P&L account.

Note 66

Previous year's figures have been regrouped and reclassified wherever necessary.

Note 67

The Consolidated financial statements are approved and adopted by Board of Directors of the Company in their meeting held on May 19, 2023.

The accompanying notes are an integral part of the consolidated financial statements.

As per our Report of even date

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
M.No. 204936

Place: Dandeli
Date : May 19, 2023

For and on behalf of the Board

S. K. Bangur
Chairman & Managing Director

Virendraa Bangur
Joint Managing Director

Rajendra Jain
Executive Director & CFO

Brajmohan Prasad
Company Secretary



WESCO

Range Of Cup Stock

Cup Stock (130-320GSM)

Eco-Friendly

- 1 ✓ Wallkup
- 2 ✓ Prime
- 3 ✓ Coated Prime
- 4 ✓ Super Green-biodegradable Product
- 5 ✓ Cup Board
- 6 ✓ Leo
- 7 ✓ Eco liner
- 8 ✓ Aqua base
- 9 ✓ Cup base
- 10 ✓ Firma



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Straw Base & Straw Fold
60, 90, 120, 140 GSM



WESCO

Dura Print
&
Dura Leno
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