

## Management Discussion and Analysis

### Overview

Hindalco Industries Limited, the metals flagship of the Aditya Birla Group, is the world's largest aluminium rolling and recycling company, a major copper player, and one of Asia's largest producers of primary aluminium. For the past three years, Hindalco has received the highest score for its ESG performance in the aluminium industry in the S&P Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment (CSA). Industry leaders are the top-performing companies in the Index.

In India, Hindalco's aluminium manufacturing units cover the complete value chain, from bauxite mining, alumina refining, coal mining, captive power generation and aluminium smelting, to downstream value-addition of aluminium rolling, extruding, and foil making. Hindalco's copper division in India comprises, among other facilities, a world-class custom copper smelter and captive jetty with capability to manufacture copper rods. Hindalco is one of the largest suppliers of copper to the Indian Railways and meets more than half of the country's copper requirements.

Guided by its Purpose of building a greener, stronger, smarter world, Hindalco provides innovative solutions that nurture a sustainable planet. Today, Hindalco's global footprint spans 52 manufacturing units across 10 countries. Its wholly owned subsidiary Novelis is the leading producer of flat-rolled aluminium products and is the world's largest recycler of aluminium. It delivers innovative solutions to customers in the beverage cans, automobile, aerospace, and high-end speciality markets, including foil packaging, certain transportation products, architectural, industrial, and consumer durables.

Novelis operates an integrated network of technically advanced rolling and recycling facilities across North America, South America, Europe, and Asia. Novelis, which has recycling operations in 15 operating facilities across the world, recycles over 82 billion used beverage cans a year, enough to circle the globe more than 160 times.

In FY2022-23, Hindalco delivered resilient financial and operational results backed by the exceptional performance of its Indian operations, and product mix.

This resilience, despite macro-economic headwinds, was driven by higher volumes, strategic product mix, stability in operations and outstanding performance of its copper business in India. On a consolidated basis, Hindalco continued to maintain its strong balance sheet in FY2022-23, resulting in a 1.39x Net Debt-to-EBITDA of at the end of the year against 1.36x in the previous year.

#### FY 2022-23: Key Highlights

#### **Achieved**

- Aluminium metal production at 1,322 Kt
- Aluminium metal sales at 1,350 Kt
- Alumina production at 3,525\* Kt
- Aluminium Downstream production at 350 Kt and Sales at 354 Kt
- Record Copper Cathode Production at 407 Kt and Metal Sales at 439 Kt
- Record Copper Rods production at 347 Kt and Sales at 347 Kt
- Overall shipments in Novelis of 3,790 Kt
- Adjusted EBITDA at \$1.8 billion in Novelis
- Yearly adjusted EBITDA/ton of \$478 in Novelis
- Yearly Net Income from continuing operations of US\$ 659 million in Novelis
- Consolidated Revenue of ₹2,23,202 Crore
- Consolidated EBITDA of ₹24,131 Crore
- Consolidated PAT of ₹10,097 Crore

\*includes production of Utkal Alumina International Limited (Utkal Alumina) the wholly-owned subsidiary.

## Key Initiatives during the Year

Through its cost-optimisation initiatives across the value chain, Hindalco India successfully enhanced its operational efficiencies and lowered the overall cost of production across all its facilities.

Factors such as Utkal Alumina's low-cost alumina, better coal mix and improved operational efficiencies contributed to Hindalco being able to reduce the overall cost of production across its Indian operations.

Hindalco's sustainable business model and its strong focus on expanding the portfolio of downstream products in India will enable it to nearly double its existing downstream capacity in the next five years. Hindalco's acquisition of Hydro's Kuppam Extrusions facility and the copper CCR facility of Polycab (Ryker Base) in India in the previous financial year has also delivered positive results in margin expansion in the value-added segment.

Utkal Alumina, with its current capacity of over 2.3 million tonnes, is on its way to improve debottlenecking by 350 Kt and expand its capacity to around 2.6 million tonnes by FY2023-24.

In line with its growth strategy of organic expansions, Hindalco is progressing well on its announced investments in downstream value-added products and capex, which will be spread out between FY23 and FY28 across the businesses of aluminium, copper, specialty alumina and resource securitisation through new commercial coal mines. These investments amount to about \$ 1.13 billion. To reduce its dependency on external sources, and strengthen the supply chain and improve the quality of coal, the Company is acquiring captive coal mines in India. The Company's intent is to build a larger value-added product portfolio over the next few years and delink this business from the volatility of global aluminium prices.

Novelis launched a multi-year strategy to transform and improve the profitability of its business through significant investments in new capacity and capabilities across all operating regions. It remains committed to this strategy with \$3.3 billion worth of organic growth expansion projects, expected to be completed in the next five years. These investments in new capacities and facilities shall be funded by its stable cash flow generation. Of the estimated range of total investments, ~\$3.0 billion investments has been earmarked for the US region.

Hindalco's digital transformation initiative LEAD (Leverage, Efficient, Augment and Digital Savvy) has been designed to impart employees with the analytical skills and insights needed to take decisions with speed and confidence. LEAD will help the Company capture benefits across the entire manufacturing value chain, from increasing production capacity, reducing material losses, to improving customer service and delivery times and reducing environmental impact.

In addition to retaining its position as top ESG scorer in the aluminium industry in the 2022 S&P Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment (CSA), Hindalco was also recognised as a 'Sustainability Leader' S&P Global Gold Class category in the Dow Jones Sustainability Yearbook for 2022 and 2023.

## **Industry Analysis**

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#### i. Aluminium – Industry Review & Outlook

In Calendar Year ('CY') 2022, the Global GDP grew by 3.4%. In the same year, the global production of aluminium increased 2% yoy to  $\sim$ 69 million tonnes, while global consumption was flattish at 69 million tonnes due to inflation-led slowdown in demand. Hence, global markets were balanced in the year. In a region-wise split in CY2022, production in China grew 4% yoy to 40.2 million tonnes, led by increases in Yunnan, Gansu, and Inner Mongolia.

Aluminium consumption in China grew by 1% to 40.6 million tonnes led by the sharp increase in demand for EVs and solar power capacity installations. However, the demand was subdued in the sectors of building and construction, packaging, and consumer durables. With consumption of 40.6 million tonnes, and production of 40.3 million tonnes, China saw a deficit of 0.4 million tonnes.

In the rest of the world, production of aluminium was flattish yoy at ~28.9 million tonnes in CY2022. A major drop in production was seen in the European region but was offset by the increased production in the Middle East, Central & South America, and India. The global transport segment grew on account of pent-up demand in this sector. However, other sectors like consumer durables and construction saw some headwinds. Hence, overall consumption declined by 1% yoy to 28.6 million tonnes, with a marginal surplus of 0.3 million tonnes in CY2022. (See Figure 1 and 2)

Figure 1: Primary Production

(in Million Tons)

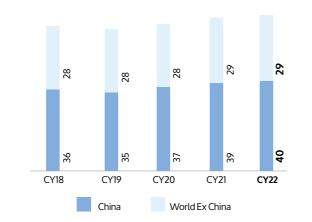


Figure 2: Primary Consumption

(in Million Tons)

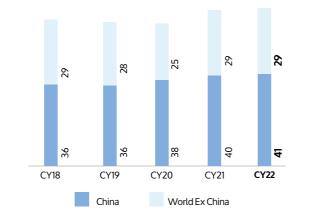




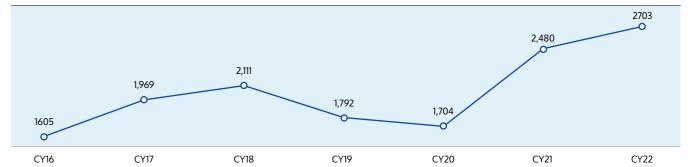
Table 1: Global Production and Consumption (in Million Tons)

Particulars	CY 2019	CY 2020	CY 2021	CY 2022
Production	63.3	64.7	67.4	69.1
Consumption	64.6	62.9	69.0	69.2
Metal Balance Surplus/(Deficit)	(1.3)	1.8	(1.6)	(0.1)

With the global markets being balanced, inventory levels were also stable at 9.3 million tonnes. In CY2022, the global prices of aluminium averaged at US\$2,703/tonne as against US\$2,480/tonne in CY2021. Global aluminium prices witnessed significant volatility all through CY2022. In Q1CY22, prices saw a spike due to the impact of the Russia-Ukraine war on the global economy.

In Q2CY22, the slowdown in the Chinese markets on account of China's Zero COVID policy led to the decline in global aluminium prices. In the second half of CY22, prices continued to slide as a result of tightening of monetary policy and global recessionary fears. The graph here shows the pricing trend over the past seven years:

Figure 3 : Global Aluminium Prices (\$/MT)





The regional premiums also saw volatility during CY2022. The average spot Main Japanese Port (MJP), duty-paid European Rotterdam Ingot and US Midwest premium was \$99/t, \$462/t and \$30 cents/lb respectively in CY2022, versus \$156/t, \$268/t and \$27 cents/lb respectively in CY 2021.

#### **Domestic Consumption**

Indian Consumption: As economic activity resumed, domestic consumption saw significant improvement across all sectors. Domestic consumption is likely to grow by 15% yoy in FY2022-23. However, import of aluminium continues to be a concern for domestic players. Overall imports, including scrap, touched ~2.5 million tonnes in FY2022-23 from ~2.3 million tonnes in FY2021-22.

The Table (table 2) shows the sector-wise change in domestic consumption of aluminium in FY2022-23 vs previous year.

# Table 2: Sector Wise Domestic Consumption for FY2022-23 vs FY2021-22

Sector	FY2021-22/ FY2022-23
Electrical	20-25%
Building and construction	10-20%
Auto	10-15%
Industrial and Defence	5-15%
Print	0-10%
Packaging	10-20%
Consumer Durables	0-5%
Others	0-5%
Overall India Consumption	15%

Source: Company Estimates

#### Outlook

In CY2023, global GDP growth rate is likely to be around 2.8%, as per the IMF projections. India and China, the two largest emerging market economies, are expected to contribute to around half of the global growth in CY2023, current outlook remains uncertain amid high inflation, tight monetary policy, the ongoing Russia-Ukraine conflict, and the lingering impact of three years of COVID-19. Overall, advanced economies are likely to grow by 1.3% impacted by inflation-led slowdown, while the emerging economies are likely to grow by 4%.

Overall, in CY2023, global primary aluminium demand is likely to experience a flattish growth to around 69.5 million tonnes. Global production is expected to grow by 2% to over 70 million. Hence, the market is likely to be in a surplus. Production in the world, excluding China, is expected to increase by ~1% to around 29 million tonnes. Primary aluminium supply in China is likely to grow by ~2% to around 41 million tonnes in CY2023. Consequently, inventories are likely to grow to 9.8 million tonnes by the end of CY2023.

### **World Excluding China Demand Drivers**

Demand Drivers
Government provides purchase incentives to the buyers of EVs. Overall sales of cars and commercial vehicle likely to increase by 5% in CY2023 due to pent-up demand.
To face headwinds due to elevated interest rates
Slowdown in demand due concerns of recession
Substitution against PET bottles in Europe and North America.

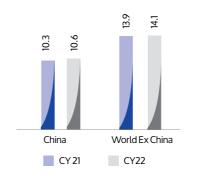
#### **China Demand Drivers**

Sectors	Demand Drivers			
Transport	Significant aluminium demand due to rising EV sales both in domestic and exports.			
Construction	Monetary stimulus to stabilise demand			
Packaging	Stable demand from food and pharmaceutica			
Foil stock	sectors			
Electrical	Sharp growth in solar and wind installations. Current capacity of wind and solar is ~800 GW (~2/3 <sup>rd</sup> of 2025 target of 1200 GW)			
Consumer durables	Stable domestic demand.			

The Indian market is likely to see a broad-base growth across all sectors. Imports of aluminium products, including scrap, continue to remain a major concern for domestic aluminium producers. Over the last few years, imports of flat rolled products (including foils) have seen a surge in imports at dumped prices from China and FTA countries.

## Refined Copper Production

(in Million Tons)



The government has supported the aluminium industry by imposing Anti-Dumping Duty ('ADD') on imports of flat-rolled products from China.

#### ii. Copper - Industry Review & Outlook

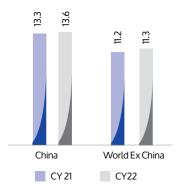
In CY2022, on a yearly basis, overall global production of refined copper grew by approximately 1.9% to 24.7 million tonnes. China's production increased by around 3% yoy, whereas in the rest of the world growth was up by 1.1% yoy.

In CY2022, on a yearly basis, global consumption of refined copper increased by around 2% to 24.9 million tonnes against 24.5 million tonnes in CY2021.

Copper consumption in China grew by  $\sim$ 2% yoy to 13.6 million tonnes, whereas in the world (excluding China) consumption grew by  $\sim$ 1% yoy at 11.3 million tonnes in CY2022. The global deficit was 0.2 million tonnes in CY22 versus 0.3 million tonnes on CY2021.

### **Refined Copper Consumption**

(in Million Tons)





In CY2022, on a yearly basis, global consumption of refined copper increased by around 2% to 24.9 million tonnes against 24.5 million tonnes in CY2021. Copper consumption in China grew by ~2% yoy to 10.6 million tonnes, whereas in the world (excluding China) consumption grew by ~1% yoy at 14.1 million tonnes in CY2023. The global deficit was 0.2 million tonnes in CY20 versus 0.3 million tonnes on CY2021.

**Table 3: Global Production and Consumption (in Million Tons)** 

Particulars	CY2021	CY2022
Production	24.2	24.7
Consumption	24.5	24.9
Metal Balance Surplus/ (Deficit)	(0.3)	(0.2)

On a yearly basis, domestic demand for refined copper increased by 22% to 746 KT in FY2022-23 from 612 KT in FY2021-22. Of this, the share of imports was 24% at 177 KT in FY2022-23 versus 26% at 158 KT in FY2021-22, reflecting a yoy decline of 11%.

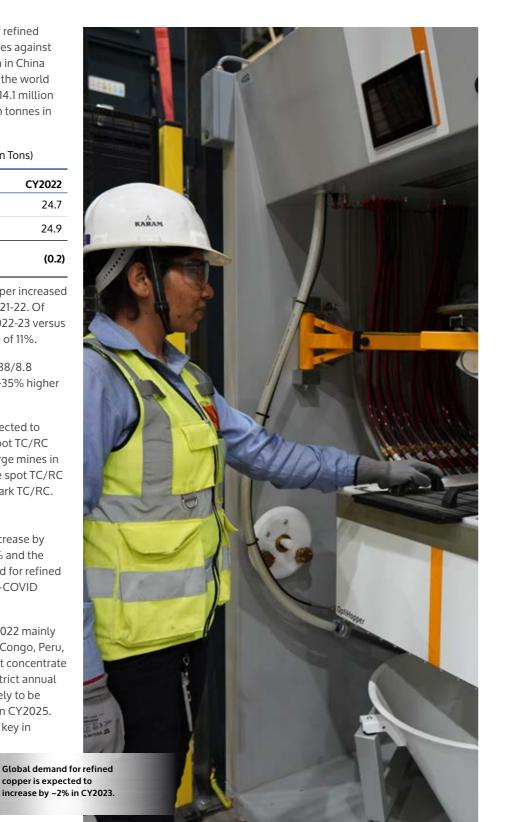
The benchmark TC/RC for CY2023 was finalised at 88/8.8 (22.6 c/lb) between miners and smelters, which is ~35% higher than CY2022.

For CY2023, while fundamentally the market is expected to be in surplus of ~ 240 KT – which should support spot TC/RC during Q1CY2023 – multiple disruptions in some large mines in Panama, Indonesia, and Peru adversely affected the spot TC/RC resulting in it sliding lower than the annual benchmark TC/RC.

#### Outlook

Global demand for refined copper is expected to increase by ~2% in CY2023. China is expected to grow by ~1.8% and the rest of world is expected to grow by ~3.5%. Demand for refined copper in India is likely to improve and revert to pre-COVID levels of around 790 Kt in FY2023-24.

The world copper mine supply grew by 3.5% in CY2022 mainly on account of ramp up in output from new mines in Congo, Peru, etc. The ramp up of projects will continue to support concentrate supply in 2023, but high level of disruptions will restrict annual growth rate to 2.3%. While the copper market is likely to be balanced in CY2024, deficit is expected to emerge in CY2025. Recycling along with product substitutions shall be key in helping to mitigate some of this gap.





# iii. Novelis – Global Flat Rolled Products ('FRP') – Industry Review & Outlook

We believe that the global long-term demand for aluminium-rolled products will remain strong, on the back of anticipated economic growth, material substitution, and sustainability considerations including increased environmental awareness around polyethylene terephthalate plastics. Disruptions in demand for aluminium-rolled products caused by the pandemic and semiconductor shortages in the automotive industry have moderated.

However, we believe the challenging inflationary and geopolitical environment has increased economic uncertainty and is negatively impacting near-term demand in some end markets such as building and construction. In addition, we are seeing reduced can sheet demand in the near term, attributed to can-makers reducing their excess inventory as they adjust to a more moderated level of demand.

Despite the current market uncertainty, we believe that the long-term demand for aluminium-rolled products would remain intact. Increasing customer preference for sustainable packaging options and package mix shift towards infinitely recyclable aluminium are driving higher demand for aluminium beverage packaging worldwide.

We believe that the long-term demand for aluminium automotive sheet will continue to grow, primarily driven by the benefits of using lightweight aluminium in vehicle structures and components. Automakers have aligned themselves to the stricter government regulations regarding emissions and fuel economy, while prioritising improvement of vehicle safety and performance. This has led to an increase in the use of high-strength steel.

We are also seeing an increased demand for aluminium for EVs, as aluminium's lower weight can help with extended battery range.

We expect the long-term demand for building and construction and other specialty products to grow due to increased customer preference for lightweight, sustainable materials. The demand for aluminium plate in Asia is also expected to receive a boost driven by the development and expansion of industries serving aerospace, rail, and other technically demanding applications.

Shipments of aerospace aluminium plate and sheet have improved in FY2022-23, as demand for air travel has recovered to near pre-COVID levels. Looking ahead, we believe significant order backlogs for key OEMs including Airbus and Boeing will translate into growth in the future. Our multi-year supply agreements have positioned us to benefit from this future demand.

FY2022-23 was challenging, with added pressure from softer demand in some end markets and intensified cost inflation driven by macro-economic and geo-political uncertainty. However, the Company managed to mitigate some of these headwinds through a combination of hedging, passing costs to customers, favourable pricing environments, and increased benefits from recycling. While these headwinds will curb the Company's near-term margins, the fundamentals driving the long-term demand for aluminium products remain intact. Novelis continues to be disciplined in its approach to capital investment, prioritising growth investments to meet increasing customer demand and sustainability goals across the value chain.

For a region-wise detailed business overview, please refer to the 10K filed by Novelis Inc. dated May 10, 2023 for the year ended March 31, 2023.

## Hindalco – SWOT Analysis

India Aluminium				
Strengths	Weakness	Opportunities	Threats	
<ul> <li>Fully Integrated business model</li> <li>Dominant player in India across upstream and downstream</li> <li>Utkal - among the world's most economical and efficient Alumina producers; with capacity of ~2.3 Mt in FY2022-23 and further de-bottlenecking project of 350Kt is under-way</li> <li>Increased focus on value-added products (VAP) will enable the Company to be delinked from volatility in global prices of aluminium.</li> <li>Market Leadership in Flat Rolled Products.</li> </ul>	<ul> <li>Commodity product (upstream)</li> <li>Smaller Market Share in Extrusion &amp; Foils</li> <li>Upstream business linked to global aluminium price volatility.</li> </ul>	<ul> <li>Immense headroom for a growing market in India; per capita aluminium consumption in India at 1/4th of global average</li> <li>Rising Aluminium Consumption in the end use segments like Building &amp; Construction, Automotive, Packaging, and Consumer Durables</li> <li>Substitution opportunity versus steel, uPVC, wood, among others</li> <li>Light-weighting initiatives in commercial vehicles, personal mobility, etc. leading to a higher Aluminium adoption in the country.</li> <li>PLI scheme for White Goods and proactive trade measures by the Government to help in import substitution</li> </ul>	<ul> <li>Global aluminium price volatility, Forex and raw material price volatility</li> <li>Competition from China in the downstream</li> <li>Rising imports of scrap</li> <li>Increasing imports of VAP from the Free Trade Agreement ('FTA') countries.</li> <li>Domestic availability/shortage of resources (mainly coal)</li> </ul>	



## **Novelis** Strengths

## · Diverse, high-value product portfolio with unmatched global presence and scale

- · World's largest recycler of aluminium
- Strong customer base with long term contracts
- Premium pricing enabled by innovative product offerings in tight-capacity, high-growth end markets
- · Market leader in a more recession resistant beverage packaging end-market

## · Capacity is constrained until capacity expansion projects

underway are completed

Weakness

Weakness

• Dependence on imported

Copper concentrate

- Long term contracts while providing volume stability, create time lag between inflation and ability to pass on higher costs
  - sustainability proposition. Aerospace sector is growing to customers with aircraft build rates and growing presence in China • Build on existing sustainability leadership by expanding
    - recycling capabilities · Digitalising the value chain, including implementing a 'Plant of the Future' operating model to drive efficiency gains and overall operational excellence

## Threats

- Supply chain disruption and highcost inflation
- Geo-political instability, increasing tariffs, protectionist measures and cybersecurity risks
- Increasing competition for scrap input materials

## Copper Strengths

## A balanced portfolio of revenue streams to tide through volatile market

- Secured concentrate supply via long-term contracts with miners
- Focus on VAP like copper rods and Inner Grooved Tubes (IGT), first-of-its-kind special alloys, and copper and e-waste recycling

#### Opportunities

Opportunities

Strong long-term demand

in Cans and Automotive

with strong recycling and

sustainability value proposition

offered by aluminium. Demand

for specialties moves with GDP

growth rate and benefits from

- Immense headroom for growth due to lower consumption vs global average
- Strong demand for copper, particularly in EV and electrical segments

#### Threats

- Mine Disruptions • Duties & Free Trade
- Agreement and trade politics

## a. Hindalco Aluminium **Operational Overview**

The Company delivered a resilient performance in its aluminium business in FY2022-23 supported by higher volumes and better operational efficiencies. The production of aluminium stood at 1.322 million tonnes in FY2022-23 versus 1.294 million tonnes in the previous year.

Overall alumina production stood at 3.525 million tonnes versus 3.235 million tonnes in FY2021-22. Utkal Alumina recorded production of 2.311 million tonnes in FY2022-23, and continues

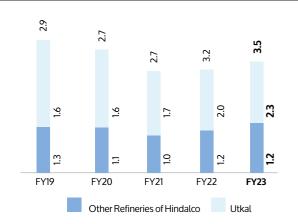
to be the most economical and efficient alumina producer globally, providing strong support to most of Hindalco's India smelting facilities, leading to better cost optimisation and quality input material (alumina).

The overall third-party sales of metal in all forms was at 1.350 million tonnes in FY2022-23 against 1.302 million tonnes in FY2021-22, up 4% yoy on account of market recovery in FY2022-23. Production of aluminium VAP was flat yoy at 350 Kt in FY2022-23 vs 349 Kt in the previous year. Third-party sales of aluminium VAP was higher by 2% at 354Kt in FY2022-23 vs 348 Kt in FY2021-22.

The trends of total alumina production, and aluminium production and sales in the past five years has been as follows:

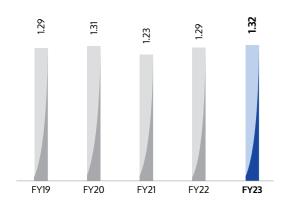
#### **Total Alumina Production**

(in Million Tons)



#### **Metal Production**

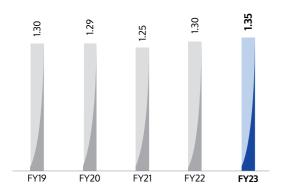
(in Million Tons)



#### **Third Party Metal Sales**

(in Million Tons)

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#### Financial Overview

#### **Aluminium Upstream**

Revenue for Hindalco's aluminium upstream segment was up 7%, at ₹33,010\* Crore in FY 2022-23 from ₹30,844\* Crore in FY 2021-22 on account of higher volumes. EBITDA was down 33% at ₹8,402 Crore versus ₹12,496 Crore a year earlier impacted by inflationary pressures. The EBITDA margins were at 25.5% in FY2022-23, continues to be one of the best in the industry.

\*The above numbers are without elimination of Inter-segment revenue.

	(₹ Crore)	
FY2022-23	FY2021-22	Change
33,010	30,844	7%
8,402	12,496	(33%)
	33,010	33,010 30,844

Note: In the consolidated financial statements, within the aluminium segment, the significant entities are Hindalco and Utkal Alumina International Ltd. Utkal Alumina is a wholly owned subsidiary of Hindalco and supplies a substantial quantity of its production to Hindalco hence we have analyzed the combined performance of Hindalco's aluminium business along with Utkal Alumina.

#### Aluminium Downstream

Revenue for Hindalco's aluminium downstream segment was ₹11,009\* Crore in FY 2022-23 in line with previous year. Record EBITDA at ₹627 Crore up 64% versus ₹382 Crore a year earlier as a result of better pricing and volumes.

\*The above numbers are without elimination of Inter-segment revenue.

			(₹ Crore)
Description	FY2022-23	FY2021-22	Change
Revenue	11,009	11,009	0%
EBITDA	627	382	64%

### b. Copper

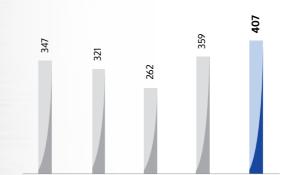
#### **Operational Overview**

The copper business delivered its best-ever operational and financial performance during FY2022-23. Production of copper cathode was 407 Kt in FY2022-23, up 13% from the previous year. Production of continuous cast rods was at a record 347 Kt in FY2022-23 versus 259 Kt in FY2021-22.

Total Copper metal sales in all forms were at a record 439 Kt in FY2022-23 up by 9% compared to 405 Kt in the previous year which was in-line with its higher production and overall market demand. The sales of Copper VAP (Copper Rods) were at a record 347 Kt in FY2022-23 versus 262 Kt in the previous year up by 33% yoy. The share of VAP (Copper Cathode Rods) to total metal sales was 79% in FY 2022-23, from 65% in the previous year.

#### **Cathode Production**

(Kt)



FY21

FY22

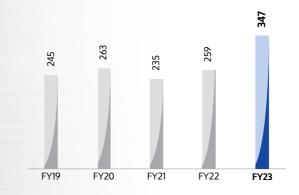
FY23

### **CC Rod Production**

FY19

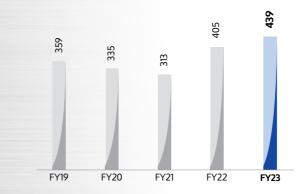
FY20

(Kt)



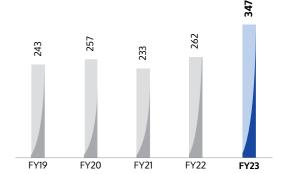
## Copper Metal Sales in All Forms

(Kt)



#### Copper VAP - CC Rod Sales

(Kt)



#### **Financial Overview**

Copper segment revenue for FY 2022-23 was at ₹41,702\* Crore (vs. ₹36,723\* Crore in FY2021-22), up 14% on account of higher global prices of copper and higher volumes in FY2022-23. Copper business recorded an all-time high EBITDA of ₹2,253 Crore (vs. ₹1,390 Crore in FY 2021-22) up 62% yoy, on account of higher volumes of Copper Cathode Rods, better operational efficiency and Tc/Rc in FY2022-23.

\*The above numbers are without elimination of Inter-segment revenue

(₹ Crore)

			(CCIOIC)
Description	FY2022-23	FY2021-22	Change
Revenue	41,702	36,723	14%
EBITDA	2,253	1,390	62%

#### c. Novelis

## **Operational Overview**

Novelis Inc., is the global leader in flat-rolled aluminium products and the world's largest recycler of aluminium.

Driven by its purpose of shaping a sustainable world, Novelis works alongside its customers to provide innovative solutions to the beverage can, automotive, aerospace and speciality markets (which include foil packaging, certain transportation products, architectural, industrial, and consumer durables).

It operates an integrated network of technically advanced rolling and recycling facilities across North America, South America, Europe, and Asia, and leverages its global manufacturing and recycling footprint to consistently deliver high-quality products around the world.



In FY2022-23, total shipments were down by 2% over the past year, at 3.790 million tonnes. This was a result of lower beverage can shipments on account of customer inventory reductions in the latter half of the fiscal year, as the broader beverage supply chain normalised post-pandemic, and also due to lower demand for specialty products in a less robust macro-economic climate.

In FY2022-23, total shipments were down by 2% over the past year, at 3.790 million tonnes. This was a result of lower beverage can shipments on account of customer inventory reductions in the latter half of the fiscal year, as the broader beverage supply chain normalised post-pandemic, and also due to lower demand for specialty products in a less robust macro-economic climate.

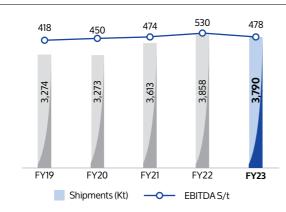
In FY2022-23, the share of beverage can sheet shipments were 58%, automotive body sheet shipments were at 19%, and specialities and aerospace shipments were at 20% and 3%, respectively. Novelis leveraged its extensive recycling footprint and favourable market conditions to utilise 61% recycled content in its shipments in the reporting period.

The company operates in four key geographies: North America, Europe, Asia, and South America. In North America in FY2022-23 total shipments were at 1,515 Kt up from 1,467 Kt in FY2021-22, on the back of recovery in the automotive end market that was previously impacted by semiconductor chip shortages. In Europe, the Company shipped 998 Kt in FY2022-23, a decline from 1,038 Kt in FY2021-22 due to weaker consumer demand in the beverage can, and specialties markets. In Asia, Novelis

shipped 678 Kt of rolled products in FY2022-23 versus 737 Kt in the previous year predominantly due to destocking of beverage cans by customers in the Americas. In South America, Novelis shipped 599 Kt in FY2022-23 down from 616 Kt in the previous year due to the impact of customer destocking in this region. In FY2022-23, Novelis reported an overall EBITDA/tonne of US\$478 versus US\$530/tonne in the last year.

#### Shipments (Kt) and EBITDA

(\$/tonne



#### **Financial Overview**

Novelis' net sales in FY2022-23 were at \$18.5 billion, up 8%, higher average aluminium prices, higher product pricing and favorable product mix, partially offset by a 2% decrease in total flat rolled product shipments.

In FY2022-23, Novelis reported an Adjusted EBITDA of \$1.811 billon vs \$2.045 billon, a drop of 11% yoy, primarily due to lower shipments, inflationary environment, higher energy costs due to geopolitical instability, and less favorable metal benefits. These headwinds were partially offset by higher product pricing, including some cost passthroughs to customers, and favorable product mix.

Driven mainly by lower adjusted EBITDA, Net Income (without special items) from continuing operations is down 16% yoy at \$781 million in FY 2022-23 against \$934 million in FY 2021-22.

			(\$ Million
Description	FY2022-23	FY2021-22	Change
Net Sales	18,486	17,149	8%
Adjusted EBITDA	1,811	2,045	(11)%
Net Income/ (loss) w/o Exceptional Item*	781	934	(16)%

\*Tax-effected special items may include restructuring & impairment, metal price lag, gain/loss on assets held for sale, loss on extinguishment of debt, loss/gain on sale of business.

## Financial Analysis and Outlook

The financial statements of Hindalco Industries Limited and its subsidiaries are prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements which forms part of this Integrated Annual Report.

#### Statement of Profit & Loss

(₹ in Crore)

				(\tag{\tau}\)
	Hindalco Standalone		Consolidated	
Description	FY2022-23	FY2021-22	FY2022-23	FY2021-22
Revenue from Operations	76,878	67,653	2,23,202	1,95,059
Earnings Before Interest, Tax and Depreciation (EBITDA)				
Novelis*			14,543	15,229
Aluminium Upstream			8,402	12,496
Aluminium Downstream			627	382
Copper			2,253	1,390
Inter-segment Profit/ (Loss) Elimination (Net)			414	(264)
Unallocable Income/ (Expense) - (Net) & GAAP Adjustments			(2,108)	823
Total EBITDA	8,061	11,828	24,131	30,056
Depreciation & Amortisation (including impairment)	1,927	1,847	7,294	6,884
Finance Cost	1,300	1,417	3,646	3,768
Earning before Exceptional Items, Tax & Share in Profit/(Loss) in Equity accounted Investments	4,834	8,564	13,191	19,404
Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)		-	9	6
Earning before Exceptional Items and Tax	4,834	8,564	13,200	19,410
Exceptional Income/ (Expenses) (Net)	41	(107)	41	164#
Profit Before Tax (After Exceptional Items)	4,875	8,457	13,241	19,574
Tax Expense	1,549	2,950	3,144	5,373
Profit/ (Loss) from Continuing Operations	3,326	5,507	10,097	14,201
Profit/ (Loss) from Discontinued Operations	-	-	-	(471)
Profit/ (Loss) After Tax	3,326	5,507	10,097	13,730
Other Comprehensive Income / (Loss)	1,702	(397)	7,460	(1,148)
Total Comprehensive Income	5,028	5,110	17,557	12,582
Basic EPS - Continuing Operations (₹) in ₹	-	-	45.42	63.85
Basic EPS - Discontinued Operations (₹) in ₹	-	-	-	(2.12)
Basic EPS (₹) in ₹	14.96	24.76	45.42	61.73

<sup>\*</sup> As per US GAAP

#Pertains to the Consolidated Exceptional Income / (Expenses) for the year ended March 31, 2022, ₹418 Crore, which represents the principal portion of (a) PIS/COFINS related tax credit income in Brazil of ₹358 Crore (net of litigation cost of ₹9 Crore) for FY22 and (b) tax rebates for sales to Manaus, Brazilian Free Trade Zone ₹60 Crore for FY22, as it is included in the results of Novelis segment.

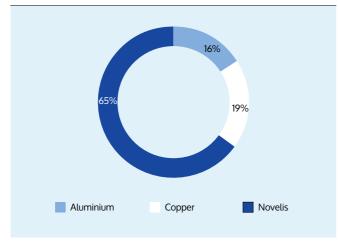


### **Appropriations to Reserves**

Appropriations	FY2022-23	FY2021-22
дриорнацонз	1 12022-23	1 12021-22
Opening Balance in Retained Earnings and Other Comprehensive Income	15,280	11026
Total Comprehensive Income for the Current Year	5,028	5,110
Dividends paid	(890)	(667)
Hedging (Gain)/ Loss and cost of hedging transferred to non-financial assets	-	(41)
Employee Share Based Transactions	(3)	2
Transferred to Debenture Redemption Fund	1500	(150)
Closing Balance in Retained Earnings and Other Comprehensive Income	20,915	15,280

The graphs below show the split of Consolidated Revenues by businesses in FY2022-23 and the trend of revenues over the past five years.

#### Consolidated Revenue split by Business for FY 2022-23



Revenue (₹ Crore)

## Dividend

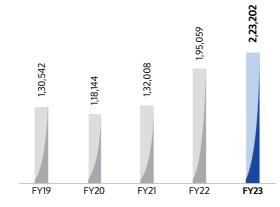
For the year ended March 31, 2023, the Board of Directors of your Company has recommended dividend of ₹3.00 per equity share of face value of ₹1/- each (Previous year ₹4.00) to equity shareholders.

### Consolidated Financial Statements

#### Revenue

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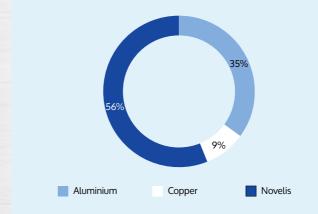
Hindalco's consolidated revenue was up 14% at ₹2,23,202 Crore in FY2022-23 compared to ₹1,95,059 Crore in FY2021-22, largely influenced by higher global aluminium prices, and local market premiums.



#### **EBITDA**

Consolidated EBITDA for FY 2022-23 was lower by 20% to ₹24,131 Crore from ₹30,056 Crore in the previous year. This was due to lower EBITDA in the aluminium business in India and higher input costs. The EBITDA margin in FY 2022-23 was at 10.8% compared to 15.4% in FY 2021-22. The graphs below show the consolidated EBITDA split by businesses in FY 2022-23 and trends over the past five years.

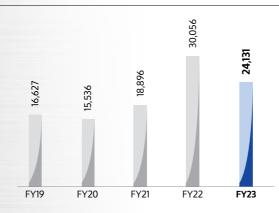
#### Consolidated EBITDA split by Business: FY 2022-23\*



\*Un-allocable income of ₹ (1,694) Crore is not included in above representation.

#### **EBITDA**

(₹ Crore)



#### **Finance Cost**

Finance Cost decreased 3% and was at ₹3,646 Crore in FY 2022-23 from ₹3,768 Crore in FY 2021-22. This was mainly on account of repayment of ₹6,000 Crore, Redeemable Non-Convertible Debentures (NCDs) and pre-payment of Utkal Alumina International Limited term loan of ₹2,574 Crore scheduled in September, 2030 and repayment of a term loan of ₹76 Crore in Hindalco in FY2022-23.

#### **Depreciation and amortization**

(including net impairment loss/ (reversal) of non-current assets)

Depreciation and amortisation (excluding net impairment loss/ (reversal) of non-current assets) increased to ₹7,086 Crore in FY2022-23 from ₹6,729 Crore in FY2021-22. This increase is due to reorganisation/amortisation activities on account closure of certain outdated processes at Novelis's Richmond plant in North America amounting to ₹139 Crore, and the suspension of certain plants and equipment amounting to ₹65 Crore in FY2022-23.

## Exceptional Income/ (Expense)

In FY2022-23, total exceptional income was at ₹41 Crore compared to ₹164 Crore in FY2021-22. This decline in exceptional income can be attributed to the reversal of certain provisions made in FY2017-18 and FY2018-19 related to Cross Subsidy Surcharge (CSS) and Additional Surcharge (ASC).

This reversal was affected pursuant to the undertaking given by MSEDCL (Maharashtra State Electricity Distribution Co. Ltd.) to Maharashtra Electricity Regulatory Commission (MERC) on 29th July 2022 to refund CSS and commence the ASC refund.

#### **Taxes**

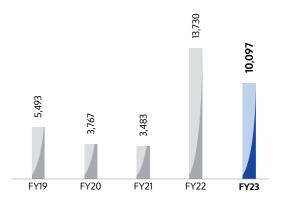
Provision for taxes was at ₹3,144 Crore in FY2022-23 against ₹5,373 Crore in FY2021-22. This decrease was due to lower profitability of the Company in FY2022-23, and the Group's decision to write back its net deferred tax liability amounting to ₹609 Crore, during the reporting period.

#### Profit/ (Loss) after tax

Profit After Tax (PAT) in FY2022-23 was at ₹10,097 Crore down 26% from ₹13,730 Crore a year ago. The net profit margin in FY2022-23 was at 4.52% versus 7.04% in FY2021-22. The PAT for continuing operations in the reporting period saw a decline of 29% at ₹10,097 Crore versus ₹14,201 in the previous year.

#### **Profit after Tax**

(₹ Crore)



#### Consolidated Net Debt to EBITDA

The consolidated balance sheet continued to remain strong with the Net Debt to EBITDA at 1.39 times at the end of March 2023 versus 1.36 times at the end of March 2022. (Net Debt to EBITDA = Consolidated Business EBITDA/Consolidated Net Debt)

#### **Financing & Debt Redemption**

#### a) Redemption of Secured Non-Convertible Debentures

Your Company has redeemed the following Secured, Listed and Non-Convertible Debentures on its maturity dates.

Date of Allotment	Coupon Rate	Amount (₹ in Crore)	Date of Maturity
April 25, 2012	9.55%	3000	April 25, 2022
June 27, 2012	9.55%	1500	June 27, 2022
August 02, 2012	9.60%	1500	August 02, 2022

#### b) Issue of Non-Convertible Debentures

During the year under review, your Company raised ₹700 Crore through issuance of Unsecured, Listed, Rated, Redeemable, Non-Convertible Debentures (NCDs) of face value of ₹1,00,000 each on private placement basis. Details pertaining to such issue is mentioned as below:

Coupon Rate	Date of Allotment	No. of NCDs	Total Amount (₹ in Crore)	Tenor	Maturity Date
7.60% Unsecured, Listed, Rated, Redeemable, Non-Convertible Debentures	January 18, 2023	70,000	700	14 months	March 18, 2024

The aforesaid debentures are listed on National Stock Exchange of India Limited.

#### **Key Financial Ratios**

#### **Debtors Turnover (Days)**

The Consolidated Debtors Turnover Days on 31st March 2023 was 30 days compared to 32 days on 31st March 2022. This displays the Company's consistency in managing its credit with customers and also reflects the Company's strong financial position with respect to its customers. The Debtor Turnover (Days) is calculated as Average Debtors/ Total Consolidated Sales \* 365 days.

#### Inventory Turnover (Days)

The Consolidated Inventory Turnover Days on 31st March 2023 was at 77 days versus 79 days at the end of 31 March 2022. This indicates the Company's effective management of its inventory levels throughout the year. Inventory (days) is calculated by dividing the Average Inventory by the Cost of Goods Sold (Cost of Sales + Depreciation) \* 365 days.

#### Interest Coverage Ratio

The Consolidated Net Interest Coverage Ratio on 31st March 2023 stands at 6.62 times compared to 7.87 times on 31st March 2022. This is lower from the previous year because of lower earnings (EBIT). This ratio reflects the Company's ability and strength to meet its interest obligations.

#### iv. Current Ratio

The Consolidated Current/Liquidity Ratio as on 31st March 2023 stands at 1.51 times versus 1.30 times at the end of 31 March 2022 and is reflective of the Company's strengthening of liquidity or solvency position compared to the previous year.

#### Debt to Equity Ratio

The Consolidated Debt-to-Equity Ratio as on 31st March 2023 is well below 1.0x, at 0.64x times compared to 0.82x times as on 31st March 2022. This is indicative of the Company' strong balance sheet and ability to meet its current short-term obligations.

### Return on Net Worth (RoNW)

The Consolidated Return on Net Worth as on 31st March 2023 is 11.67%, compared to 18.97% on 31st March 2022. This was lower from the previous year due to the lower profits in the reporting period. This is calculated as Profit After Tax/Average Net Worth

#### vi. Operating Margins

The Consolidated Operating Margins for FY2022-23 stands at 10.25% versus 14.61% in FY2021-22 indicating lower operating profit in the reporting period compared to the previous year. Operating Margin is calculated as Operating Profit/Net Sales.

## vii. Net Profit Margins

The Consolidated Net Profit Margins as on 31st March 2023 stands at 4.52% compared to 7.04% as on 31st March 2022. The decline is on account of lower consolidated profits recorded during the reporting period. It is calculated as Net Profit/Net Sales.

#### **Consolidated Cash flow**

Cash generated from operations for Hindalco Consolidated stands at ₹19,208 Crore in FY 2022-23 versus ₹16,838 Crore in FY 2021-22. The table below shows the comparative movement of Cash flows:

(₹ Crore)

	Year end	Year ended			
Particulars	31/03/2023	31/03/2022			
A. CASH FLOW FROM OPERATING ACTIVITIES					
Operating Cashflow before working capital changes	22,445	29,726			
Changes in working capital	(457)	(9,132)			
Cash generated from operations before Tax	21,988	20,594			
(Payment)/Refund of Direct Taxes	(2,733)	(3,773)			
Net Cash generated/ (used) -Operating Activities - Continuing Operations	19,255	16,821			
Net Cash Generated/ (Used) - Operating Activities - Discontinued Operations	(47)	17			
Net Cash Generated/ (Used) - Operating Activities (a)	19,208	16,838			
B. CASH FLOW FROM INVESTMENT ACTIVITIES					
Net Capital Expenditure	(9,742)	(5,355)			
Disposal of Investments in Subsidiaries (Net)/Business	24	66			
(Purchase) / Sale of treasury instrument (Net)	(214)	4,226			
Acquisition of business, net of cash acquired	-	(412)			
Investment in equity accounted investees	(17)	(1)			
Loans & Deposits (given) / received back (Net)	1,393	(6,209)			
Interest and dividends received	479	239			
Investment in Equity Shares at FVTOCI	(57)	363			
Others	13	9			
Net Cash Generated/ (Used) - Investing Activities - Continuing Operations	(8,121)	(7,074)			
Net Cash Generated/ (Used) - Investing Activities - Discontinued Operations	-	-			
Net Cash Generated/ (Used) - Investing Activities (b)	(8,121)	(7,074)			
C. CASH FLOW FROM FINANCING ACTIVITIES					
Equity Raised / Debentures Redeemed	-	6			
Treasury shares acquired & Proceeds from Shares Issued by ESOP Trust	(125)	(79)			
Net Debt inflows/Outflows	(5,485)	(2,775)			
Interest & Finance Charges paid	(3,845)	(3,250)			
Dividend Paid (including Dividend Distribution Tax)	(890)	(667)			
Net Cash generated/ (Used) - Financing Activities - Continuing Operations	(10,345)	(6,765)			
Net Cash Generated/ (Used) - Financing Activities - Discontinued Operations	-	-			
Net Cash Generated/ (Used) - Financing Activities (c)	(10,345)	(6,765)			
Net Increase/(decrease) in Cash and Cash Equivalents (a) +(b) + (c)	742	2,999			

#### Standalone Performance

On Standalone basis, your Company registered a revenue of ₹76,878 Crores for the fiscal year 2023 vs ₹67,653 Crores in the previous year up 14% on account of higher volumes and prices of copper in FY23. EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) stood at ₹8,061 Crores, down 32% compared to the last year, impacted by unsupportive macros and higher input costs. Depreciation(including net impairment loss/(reversal) of non-current assets) was up 4% at ₹1,927 Crore in FY23 versus ₹1,847 Crores in FY22. The Finance Cost was lower on Year by 8% at ₹1,300 Crores in FY23 versus ₹1,417Crores in FY22. This reduction in finance cost was mainly due to overall reduction in the average cost of long-term loans on account of repayment of high cost loans such as the NCDs worth ₹6.000 Crore during the year. The Profit before Tax (and Before Exceptional Items) stood at ₹4,834 Crore, down 44% compared to the previous year due to lower EBITDA. Net Profit for FY23 stood at ₹3,326 Crores as compared to ₹w5,507 Crore down 40% Year on Year compared to the previous year.

#### **Business Outlook**

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Hindalco's relentless focus is on product innovation, better efficiencies, complete digitalisation, and organic expansions with a diversified product mix and cost competitiveness. The Company continues to focus on cash conservation while maintaining adequate liquidity and deliver sustained performance while catching up with market recovery. Its long-term strategic investments in Novelis and the India downstream expansion projects will enhance its capabilities across the FRP and the Extrusion segments in the country.

Demand for aluminium sheet across specialties markets, including electronics, electric vehicle battery enclosures, painted products, container foil, and building and construction markets also remains strong over the long-term, despite current economic headwinds impacting near-term demand for building and construction and some industrial products.

The automotive segment is poised to display strong near-and long-term demand and is expected to grow at a CAGR of 11% over the next five years. This expansion will be led by elevated levels of pent-up demand, supported by rising consumer demand for vehicles with a higher share of aluminium like EVs, and easing of supply chain challenges with the availability of semi-conductor chips and recovery in vehicle production levels.

The aerospace segment is also expected to remain strong with travel picking up after the removal of pandemic restrictions. Aircraft OEMs are forecasting a strong growth in aircraft build rates over the next decade.

In this sector, sustainability is also gaining importance leading to higher consumption of aluminium. However, inflationary cost pressures that began in FY 2021-22, resulting from global supply chain disruptions and geopolitical instability impacted the availability and prices of materials and services, including freight, energy, coatings, and alloys like magnesium. The disruptions intensified during the reporting period, and are expected to continue for the foreseeable future.

From Q4-FY22, Novelis has been impacted by the rise in energy prices globally, especially in Europe. The Russia-Ukraine conflict further exacerbated the situation, leading to reduced manufacturing and industrial demand. The Company expects this situation to continue until energy prices and economic conditions stabilise. Other costs, such as labour and borrowing costs, have been influenced by inflation and higher interest rates. To counter this, the Company has implemented cost-control measures across our global operations, with a focus on employment, professional services, and travel costs. However, there is no assurance that it will be able to mitigate these higher costs in the future.

In India, the acquisition of Hydro's Kuppam extrusions facility and Polycab's Ryker CCR helped bolster Hindalco's presence in the upper end of the value-added market and further strengthen its long-term sustainable business model.

Domestic copper demand is driven largely by rods, which is the downstream product for the copper business. Hindalco's strategy of enhancing copper VAP capacity through copper rods and copper inner grooved tubes will help it gain a larger market share and meet the growing demand for copper in the domestic market.

To boost the Company's position as a sustainability leader in the industry, Hindalco has established strategic priorities and allocated capital aimed at promoting organic growth in both India and Novelis. These priorities also focus on enhancing value through ESG-driven practices.

#### Research, Development & Technology

Company's Research, Development & Technology (RD & T) activities are focused on developing and commercializing premium differentiated products, improving our competitive cost position, product quality and environmental sustainability.

To support these goals, we are managing a pipeline of projects at four Hindalco Innovation centres in collaboration with corporate and external research institutes. The project portfolio addresses near and mid-term needs, as well as the exploration of future opportunities.



This year members of Hindalco Innovation Centre Team continued development in the area of making our processes greener & sustainable and value added products & applications.

These initiatives helped our plants to mitigate challenges of raw material quality, reducing specific energy consumption and carbon footprint, cost effective management of waste generated during processing, recovery of value from by-product as well as any waste products. Specific programs have also been initiated to adopt new digitalisation techniques such as soft sensors, digital twins, etc. The predictive and prescriptive models based on AI /ML data analytics coupled with physics based models are helping better process control & achieve desired process performance. These tools also help in understanding the requirement of existing and prospective customers, and provide a better service, in order to increase your company's market share in the chosen market space. Technical competencies developed by your company will go a long way in terms of quick absorption of technologies, challenging & pushing boundaries of our processes, so as to increase the economic performance and improve our new product/ new application pipeline to address the impending market opportunities.

Bauxite & Alumina RD&T: Hindalco Innovation Centre ('HIC')
Alumina at Belagavi is focused on bauxite ore & alumina refining processes and specialty alumina, hydrate products & their applications in different market segments. The projects on improving productivity of Refineries & hydrate product quality were successfully implemented. This year key projects on development for Low Soda Hydrate, white hydrate. Hydratable alumina for castables, spherical alumina for advanced refractory & special hydrates for FRP composite applications were successfully developed and commercialised in collaboration with operations & marketing team.

Team along with Aditya Birla Science & Technology Company Private Limited ('ABSTC'), an Aditya Birla Group Corporate R&D successfully demonstrated trials of novel process for production of 4N High Purity alumina (99.99%). The process knowhow is protected by filing 3 patents.

Primary Aluminium RD&T: In collaboration with ABSTC, we have developed expertise in advanced pot design and process control to reduce the specific energy consumption. The range of technology solutions are being implemented, which includes next generation Cu-insert collector bars, digital twin to predict current efficiency, advance process control logic, at smelters. In our journey of creep capacity increase, we have developed novel HiPot 400 KA cell design, the cell lining pilots are in progress at Mahan & Aditya smelter. Team has also developed advance process control for Hirakud smelter which is under implementation.

Aluminium downstream RD&T: HIC-Semifab team along with SMEs are continuing research on optimising the product quality and also developing new products and applications. Our technology team is also focusing on new coating for both extrusion & FRP products segment. Towards greening the planet, technology team has facilitated development of light weighting applications in transport segment and new products for battery technology & electrical vehicles.

Copper RD&T: HIC-Copper along with ABSTC is focusing on improving the smelter productivity and CCR product quality. Blend adviser, soft sensor for matter grade & temperature prediction, optimum operating region for production of high quality CCR were developed & implemented under digital initiatives this year. Team also participated in start-up and optimising the process conditions for new Cu-Mg wire rod at Bhiwadi.



Your company also has series of collaborative programs with IITs, CSIR labs and domestic & international start-ups which enables your company to develop & build competencies in select areas, to create long term value to business. We actively evaluate new transformational technologies including battery technology, decarbonisation, etc. These engagements along with in-house research has resulted in increased filing of patent applications and also publications in international journals & conferences. The RD&T activities thus span a wide range of present and future needs of Hindalco.

#### Sustainability

At Hindalco, sustainability is the foremost priority and the Company strives to create value from revenue streams that benefit both the planet and people. The Company's strong commitment to ESG is reflected in its remarkable performance in the DJSI CSA assessments, where it achieved the highest ESG score in the aluminium industry for the third year in a row. Through collaboration and by working closely with stakeholders across the value chain, Hindalco has demonstrated its commitment to addressing critical sustainability issues. This approach reflects its plan for mutual growth, thereby earning the trust of all partners in the process.

The Apex Sustainability Committee, chaired by the Managing Director, drives sustainability at the highest level ensuring the implementation and monitoring of sustainability initiatives across the organisation. Hindalco's task forces and ESG SPOCs from all functions work together to bring about positive change with task forces focusing on ground-level implementation of sustainability initiatives and ESG SPOCs taking up projects to further the cause of ESG implementation.

A roadmap to achieve net carbon neutrality by 2050 has been established, and the Company has already installed 100 MW of renewable energy capacity, with plans to scale it up to 300 MW by 2025. Through various energy-efficiency projects and pilot demonstrations of technologies in the pipeline, the Company has showcased its sustainability efforts.

The Company's goal is to achieve overall water positivity by 2050; with a sub-target of making its mining operations water positive by 2025. Towards this, it has ramped up its freshwater conservation efforts by using water from treated and rainwater sources. With an aim to achieve Zero Waste in Landfill by 2050, Hindalco extracts value from the waste generated and has amplified its material recycling. The Company is committed to protecting biodiversity and has developed BMPs for critical sites in collaboration with IUCN, aiming to achieve No Net Loss by 2050. The Sustainable Mining Charter and KPIs under seven thematic areas are the other crucial steps taken by Hindalco to make its mining vertical more sustainable.

Building safer workplaces and fostering a high-performance work culture for its employees, launching initiatives to increase their productivity and supporting their mental and physical health are some of the steps taken to ensure the well-being of the organisation's workforce. Hindalco engages with local communities to ensure mutual prosperity, and this is achieved through programmes in education, healthcare, livelihood, infrastructure, and social reforms. The Company strongly believes in inclusive growth. This motivates Hindalco to deploy all the resources necessary to bring about a positive change in the spaces in which it operates and in society at large. The initiatives and performance are detailed in the 'Our Capitals' section of this report.

## Safety

As a responsible corporate citizen, Hindalco is fully dedicated to human health and safety. All the plants and mines follow occupational health and safety management standards that integrate occupational health, hygiene, and safety responsibilities into everyday business. A strong safety culture is required to prevent fatalities and achieve good safety performance. Supported by the efforts made to further strengthen its safety culture, Hindalco's safety performance this year has been the best in its history. In FY2022-23, we achieved an LTIFR of 0.25–a 24% reduction on a yoy basis—and TRIFR of 0.69–a 5% decline from last year.

While there were no fatalities among employees, the Company lost two contract workmen to work-related injuries. Hindalco regrets the loss of these valuable lives and will work to strengthen its safety culture to achieve a Zero Harm status.

Hindalco's entire operations are audited every year and all the businesses are set to meet the defined health and safety performance requirements and defined targets.

In FY2022-23, cross-entity safety audits were led by business heads/cluster heads. Audits conducted under the leadership of business heads is an industry-first move, and clearly shows the commitment of Hindalco's senior leaders towards safety and the goal of becoming a Zero-harm organisation.

During the reporting year, the focus on Contractor Management System (CSM) was intensified to establish a strong and continuous performance evaluation of contractors across Hindalco. This was done via Contractor Field Safety Audits. The Serious Injuries and Fatality (SIF) prevention programme, which was introduced in FY2021-22, has started delivering results. With these programmes, the Company currently has 10 technical safety standards, nine administrative safety standards, four occupational health standards and 10 guidance notes. These standards and procedures help the Company maintain a consistent approach in managing major hazards across its operations. To effectively implement the standards, 137 new Subject Matter Experts (SMEs) have been trained and developed. This is in addition to the 1,308 SMEs developed over the past few years.

The Behaviour-based Safety Programme established at Hindalco has set a milestone through the reinforcement of safe behaviours and reduction in unsafe behaviours.

Hindalco invested approximately 4.21 man-days towards classroom safety training per person (including direct employees and contract workmen) this year, against a set target of 3 mandays. The focus was more on on-the-job training, resulting in a 51% increase in man-hours dedicated to training compared to the previous year.

A good safety culture depends heavily on the participation of line function employees. Which is why the Company has set up safety task forces and six safety sub-committees at each unit, for employees to participate in safety programs.

Each member of each task force and sub-committee is deemed a Safety Officer and contributes to the safety of the units and mines at every level. Going further, the Company constituted the Safety 360 (off-the-job safety) task force, comprising members from factory, colonies, schools, contractors' family, school, and college students, SMEs, etc. This task force has the responsibility of driving various safety awareness campaigns and off the job safety enhancements for our internal as well as external stakeholders.

In FY2022-23, Hindalco completed Qualitative Exposure Assessment (QIEA) and Quantitative Exposure Assessment (QnEA) studies of all its manufacturing facilities and mining operations. By the end of FY2022-23, more than 98% of the recommendations to emerge from the studies were implemented, and progress has been positive across all recommendations.

In FY2022-23, the Company continued to offer psychological safety training sessions to its employees. Each unit also ran a comprehensive wellness programme recognising the value of good physical and mental health of employees, their families, and the community. Hindalco has an active Crisis Management Plan that ensures an appropriate response to all crisis, natural disasters, or other emergencies, at all units and mines.

#### **Human Capital**

Hindalco's workforce comprising 36,000+ employees worldwide has always been its biggest asset in driving cultural transformation in the Company and in aligning with its Purpose of building a Greener, Stronger and Smarter future.

The Great Place to Work Institute certified Hindalco as a 'Great Place to Work' in 2022 for the second consecutive time. In comparison to the last survey, there has been a remarkable jump of 12 points in Trust levels and a jump of 16 points in Fairness. Pride, as always, stands out as an area of strength while Credibility and Respect have shown steep growth.

This signifies that the efforts towards establishing Hindalco as a High Performing Contemporary Organisation is yielding results. Hindalco added one more feather to its cap with the **Great Place To Work** Institute certifying it as India's 40 Best Workplaces in Health & Wellness, based on the Company's psychologically and emotional healthy work culture that inspires high performance. A high Workplace Wellness Index© is a testimony to Hindalco's focus on the well-being of employees.



The sixth edition of Shillim, branded 'Shillim 365', is meant to ensure the practice of adopting the culture journey all through the year. The emphasis on creating a high-performance culture was the inspiration for taking Shillim 365 to the shop floor. With the active collaboration of over 2,800 employees across the organisation, 30 'Shillim 365' workouts have been conducted so far.

These sessions aim to foster dialogue with every member of the workforce to generate ideas from all levels, emphasise on continuous improvement, and implement valuable inputs across the Company. This bottom-up approach of including employees at each level with 'Apni Zimmedari' as the tagline for their contributions towards making Hindalco an HPCO. This approach also helps in creating more opportunities of involving employees in decisions affecting them directly and can strengthen uniform implementation of the ideas and Innovation practices across the organisation.

The amplified focus on building the leadership pipeline, investing in talent development is helping the Company take bold bets on people, resulting in their placement in leading positions in newer plants and upcoming projects. Hindalco's multi-pronged talent management strategy continues to focus on hiring young talent, creating structured training and development initiatives, promoting gender diversity, and building technical and specialist capability. This has also helped the Company venture into newer technical areas of capability building. The organisation's human rights policy safeguards its employees and contractual workmen against harassment and discrimination. Focused efforts have been made to enhance employee productivity through various tailored programs focusing on their well-being. By investing in people and culture, Hindalco continues to inspire its workforce to go above and beyond and deliver consistent superior performance even in the most challenging times.

## **Internal Controls & their Adequacy**

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. A strong culture of internal controls is pervasive throughout the Group. Regular internal audits at all locations are undertaken to ensure that the highest standards of internal control are maintained. The effectiveness of a business' internal control environment is a component of senior management performance appraisals. The primary aim of the internal control system is to manage business risks with a view to enhance shareholder value and safeguard the Group's assets. It provides reasonable assurance on the internal control environment and against material misstatement or loss. The Company has in place a robust mechanism to deal with Internal audit that involves having a dedicated Assurance & Control function having personnel specialised in the field of the subject and having two internal auditors duly appointed by the Audit Committee and Board., viz. M/s. Ernst & Young for the Aluminium Business and M/s. Suresh Surana & Associates for the Copper business. The Audit Committee discusses audit plans, findings and observations made by the internal auditors at its meetings. The findings made by the internal auditors are reviewed and suggestions implemented.

DISCLOSURES IN TERMS OF THE PROVISIONS OF THE COMPANIES ACT. 2013 ('the Act') & SECURITIES AND EXCHANGE **BOARD OF INDIA (LISTING OBLIGATIONS** AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ('SEBI Listing Regulations')

#### A. Board of Directors ('Board')

#### Number of Meetings

The Board met five times during the year, details of which are given in the Corporate Governance Report forming part of the Integrated Annual Report.

#### (ii) Appointments and Resignations

- Appointments/Re-Appointments
- Ms. Alka Bharucha (DIN: 00114067) completed her first term of five years as Independent Director of the Company on July 11, 2023. On recommendation of the Nomination & Remuneration Committee ('NRC') and the Board of Directors, the Shareholders of the Company approved the re-appointment of Ms. Bharucha as an Independent Director of the Company for a second term of five years commencing from July 11, 2023 upto July 10, 2028. The said approval was received on February 09, 2023 by way of a special resolution passed through Postal ballot.

ii. Mr. Praveen Kumar Maheshwari (DIN: 00174361) was reappointed as the Whole-time Director of the Company for a period of one year effective May 28, 2022 upto May 27, 2023. Based on the recommendation of the NRC, the Board of Directors, at its meeting held on May 24, 2023, re-appointed Mr. Maheshwari as the Whole-time Director for a further period effective from May 28, 2023 to March 31, 2024, subject to approval of the shareholders at the ensuing Annual General Meeting.

#### b) Resignations/Retirements/Retirement by rotation

- i. During the year under review, no director has resigned.
- ii. Mrs. Rajashree Birla (DIN: 00022995) is due to retire by rotation at ensuing Annual General Meeting and being eligible, offers herself for reappointment. Mrs. Rajashree Birla has given required declaration under the Act.

Resolution seeking the re-appointment of Mr. Praveen Kumar Maheshwari & Mrs. Rajashree Birla along with the brief profiles, forms part of the Notice of the 64th Annual General Meeting.

#### (iii) DECLARATION OF INDEPENDENCE

[S. 149(6),150(1) & Schedule IV of the Act along with rules thereunder & R. 16(1)(b), 25(8)1

The Independent Directors have submitted declarations that each of them meets the criteria of independence. In the opinion of board there has been no change in the circumstances affecting their status as independent directors of the Company and the Board is satisfied of the integrity, expertise, and experience of all Independent Directors on the Board. Further based on declaration received from directors, the Board confirms, that the Independent Directors fulfil the conditions.

### (iv) Board Evaluation

The Board evaluated the effectiveness of its functioning, the performance of its committees, the Chairman, Independent Directors, Non-Executive Directors, and Executive Directors.

The evaluation framework focused on various aspects of the Board and Committees such as review, timely information from management etc. Also, the performance of individual directors was divided into Executive, Non-Executive and Independent Directors and based on the parameters such as contribution, attendance, decision making, action oriented, external knowledge etc. Board members have evaluated Independent Directors, Nonexecutive Directors, Executive Directors, Committee and Chairman of the Board.



#### **Outcome of the Evaluation**

The results of Board evaluation was satisfactory. Board fully agreed and rated 100% on its functioning, skill sets and working atmosphere. Independent Directors scored well on expressing their views and in understanding the Company and its requirements. Non Executive Directors scored well in all aspects of evaluation. Executive Directors are action oriented and ensures timely implementation of the Board decisions. Board is completely satisfied with the functioning of various Committees. Board has full faith in the Chairman in leading the Board effectively and ensuring contribution from all its members.

The manner in which the evaluation has been carried out has been set out in the Corporate Governance Report, which forms part of this Integrated Annual Report.

#### B. Committees of The Board

The Board has constituted six committees, viz. Audit Committee, Corporate Social Responsibility Committee, Risk Management Environment Social and Governance (ESG) Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Finance Committee and is authorised to constitute other functional Committees, from time to time, depending on business needs.

During the year under review a Functional Committee named 'Capital Raising Committee' was constituted for deciding on various matters related to the issue of 7.60% Unsecured, Listed, Rated, Redeemable, Non-Convertible Debentures of ₹700 Crore.

Details with respect to the composition, terms of reference, number of meetings held, etc. of the above Committees are included in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

#### C. Key Managerial Personnel (KMPs)

[S. 203 of the Act]

During the period under review, the Key Managerial Personnel of your Company are:

- 1) Mr. Satish Pai, Managing Director;
- Mr. Praveen Kumar Maheshwari, Chief Financial Officer & Whole Time Director;
- 3) Mr. Anil Malik, Company Secretary, until November 30, 2022; and
- Ms. Geetika Anand, Company Secretary & Compliance F. Officer w.e.f. December 1, 2022

#### D. Remuneration of Directors and Employees

[. 136, S. 197(12) of the Act & Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The names and other particulars of Top 10 employees ought to be set out in the Directors' Report, as an addendum thereto. However, the Report and Accounts are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Registered Office of your Company.

Disclosures pertaining to remuneration and other details is attached as Annexure I to this Report.

# E. Employee Stock Option Schemes and Share Based Employee Benefits

Employee stock options is a conditional share plan for rewarding performance on pre-determined performance criteria and continued employment with the Company.

In terms of the provisions of applicable laws and pursuant to the approval of the Board and the members of the Company, the NRC has duly implemented the following schemes:

- (a) Employee Stock Option Scheme –2006 ("Scheme 2006")
- (b) Hindalco Industries Limited Employee Stock Options Scheme–2013 ("Scheme 2013")
- (c) Employee Stock Option Scheme 2018' ("Scheme 2018")
- (d) 'Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022' ("Scheme 2022")

The above Schemes are in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations"). The details as required to be disclosed under the SBEB Regulations can be accessed at www.hindalco.com

A certificate from Secretarial Auditors, with respect to the implementation of the Company's ESOS schemes, would be placed before the shareholders at the ensuing Annual General Meeting. A copy of the same will also be available for inspection through electronic mode.

#### Related Party Transactions

[Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 & R.23 of SEBI Listing Regulations]

During year under review, all the contract(s)/ arrangement(s)/transaction(s) entered into by the Company with its related parties were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations.

Prior omnibus approval of the Audit Committee is obtained for such related party transactions, which are foreseen and of repetitive nature.

Pursuant to the said omnibus approval, details of transactions entered into are also reviewed by the Audit Committee on a periodic basis.

Further, all the related party transactions entered into during year under review were on an arm's length basis and in the ordinary course of business of the Company.

In terms of the revised materiality thresholds as per the amended Listing Regulations, 2015, approval of the Shareholders was obtained for certain material related Party transactions by way of a Postal Ballot. The said approval was received on February 09, 2023 by way of a special resolution passed through Postal ballot.

Since, there were no transactions requiring disclosure under provisions of the Act, Form AOC–2 does not form a part of this report.

Details of RPTs entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone/consolidated financial statements forming part of this Report.

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. The Policy can be accessed on the Company's website at www.hindalco.com

### G. Dividend Distribution Policy

[R. 43A of SEBI Listing Regulations]

Your Company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the Stakeholders of the Company. The policy sets out various factors, which shall be considered by the Board in determining the dividend pay-out. The policy is annexed as Annexure II to this Report and is also available on the website of the Company i.e. www.hindalco.com

## H. Subsidiary, Associates & Joint Venture Companies

[R.129(3) of the Act read with Companies (Accounts) Rules, 2014]

A statement containing salient features of financial statements of your Company's subsidiaries, associates and joint venture companies are provided, in the prescribed Form AOC-1, as Annexure III to this Report.

The Company has adopted a policy on determination of material subsidiaries in line with the SEBI Listing Regulations. The policy aims to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

Utkal Alumina International Limited & Novelis Inc. are the material unlisted subsidiaries of your Company. Your Company does not have any material listed subsidiary Company. The Audit Committee and the Board reviews the financial statements, significant transactions, investments, working of all subsidiary Companies, and the minutes of unlisted subsidiary Companies are placed before the Board.

The financial statements of your Company's subsidiaries and policy on determination of material subsidiaries may be accessed at www.hindalco.com

## I. Corporate Social Responsibility

[S. 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014]

The Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mrs. Rajashree Birla. The other Members of the Committee for the financial year ending March 31, 2023 were Mr. Yazdi Dandiwala, Independent Director, Mr. Askaran Agarwala, Non-Executive Director and Mr. Satish Pai: Managing Director. Dr. Pragnya Ram, Group Executive President, Group Head - CSR, Legacy Documents & Archives & Corporate Communication is a permanent invitee to the Committee.

Your Company also has in place a CSR Policy and the same is available on Company's website viz. <a href="www.hindalco.com">www.hindalco.com</a> The Committee recommends to the Board what all activities are to be undertaken during the year.

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates.

Your Company has identified several projects relating to Social Empowerment & Welfare, Infrastructure Development, Sustainable Livelihood, Health Care and Education during the year and initiated various activities in neighbouring villages around plant locations. During the year, the Company has spent 36.04 Crores and has transferred 9.5 Crores to unspent CSR account relating to ongoing project.

The Annual Report on CSR activities is attached as Annexure IV to this Integrated Annual Report.

# J. Conservation of Energy, Technology and Foreign Exchange Earnings & Outgo

[S. 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014]

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in Annexure V to this Report.

### K. Risk Management

[R. 21 of SEBI Listing Regulations]

Pursuant to the requirement of Securities and Exchange Board of India (Listing and Disclosures Requirement) Regulations, 2015, the Company has constituted Risk Management Committee (RMC), which is mandated to review the risk management plan/process of your company. The Company has in place a Risk Management Policy which has been uploaded on the website of the Company at <a href="https://www.hindalco.com">www.hindalco.com</a>

Our risk management is guided by our Enterprise Risk Management Policy which is regularly reviewed by Risk Management and ESG Committee. The policy is applicable across all our operations. We follow both bottom-up and top-down approach to risk management. The Board-level Risk Management and ESG committee ('RM&ESG'), headed by one of the Board members, is the apex body that oversees risk management across the organisation. The committee meets every quarter and provides guidance and strategic directions to manage risks.

Hindalco ERM framework is developed in accordance with COSO and ISO 31000. The framework is fully integrated with our strategic priorities. During the reporting period, we bolstered the framework to adapt to the BANI world and embraced the RAAT (Resilience, Attention, Adaption, Transparency) approach.

The Chief Risk Officer (CRO) is responsible for the functioning of enterprise risk management and heads the central risk management team. The latter is the custodian



of the risk management process at all locations. To manage the risks at the grassroots we have an established team structure at cluster, site, and department levels. These teams are responsible for implementing risk mitigation plans and report to the Risk Management Head at regular intervals. Risk management and compliance with risk procedures are a part of the Key Result Areas (KRAs) of senior management and is linked to their variable incentives.

The company remained vigilant about rapid shifts in consumer preferences, dynamic geo-political environment, increasing impacts of climate change and a swiftly evolving regulatory landscape and therefore integrated approach of risk management with the decision-making helped managing risks proactively. Identification and monitoring of Key risk indicators and mitigation plans has enabled us to become resilient to uncertainties and deliver the performance.

The risk management framework is audited internally and externally during the Integrated Management System (IMS) audits. In addition, we regularly monitor and evaluate existing and emerging risks.

#### L. Vigil Mechanism

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimisation to those who avail of the

mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

The vigil mechanism is available on your Company's website viz. www.hindalco.com

# M. Nomination Policy and Executive Remuneration Policy/Philosophy

The Company's remuneration policy is directed towards rewarding performance based on review of achievements. The remuneration policy is in consonance with existing industry practice. There has been no change in the policy during the year.

The Remuneration Policy of your Company, as formulated by the Nomination and Remuneration Committee of the Board of Directors, is given in Annexure VI to this Report and is also available on your Company's website at www.hindalco.com

### Business Responsibility and Sustainability Report ('BRSR')

[R.34(2)(f) of SEBI Listing Regulations]

The Securities and Exchange Board of India ('SEBI'), in May, 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report. A separate section on BRSR forms part of this Integrated Annual Report.

## O. Directors' Responsibility Statement

[S. 134(3) (c) of the Act]

Your Directors state that:

- a) in the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanations relating to material departures if any;
- accounting policies selected have been applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2023 and of the profit of your company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- the annual accounts of your Company have been prepared on a 'going concern' basis;
- e) Company had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively;
- f) Company has devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- g) the Company has been in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India

#### P. Auditors: FY23

#### Statutory Auditor

- M/s Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration No. 304026E/E-300009) had been appointed as the Statutory Auditors of the Company in the 63<sup>rd</sup> Annual General Meeting to hold office for a period of five (5) years to the conclusion of 68<sup>th</sup> Annual General Meeting.
- Statutory Auditor's Report do not contain any qualification, reservation, adverse remark or disclaimer and and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

## Secretarial Auditor

- M/s BNP & Associates, Practising Company Secretaries had been appointed by the Board to conduct the secretarial audit of the Company.
- The Secretarial Audit Report for the financial year ended March 31, 2023 forms part of this report as Annexure VII and confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.
- The Secretarial Audit Report of its unlisted material subsidiary i.e Utkal Alumina is annexed as Annexure VIIA to this report.

#### Cost Auditor

- M/s. Nanabhoy & Co., Cost Accountants were appointed as the Company's Cost Auditor
- The cost accounts and records of the Company are duly prepared and maintained by the Company as required under Section 148(1) of the Act pertaining to cost audit.

#### Internal Auditors

- M/s. Ernst & Young LLP were appointed as the Company's Internal Auditor of Aluminium Business.
- M/s Suresh Surana & Associates LLP were appointed as the Company's Internal Auditor of Copper Business.
- Internal Audit Reports are placed on halfyearly basis before the Audit Committee for their review.

Integrated Annual Report 2022-23

#### Q. Corporate Governance

[Para C,E of Schedule V of SEBI Listing Regulations]

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the SEBI. The report on Corporate Governance as stipulated under the SEBI Listing Regulations forms part of this Annual Report.

Your Company has duly complied with the Corporate Governance requirements as set out under Chapter IV of the SEBI Listing Regulations and M/s. Dilip Bharadiya & Associates, Company Secretaries, vide their certificate, have confirmed that the Company is and has been compliant with the conditions stipulated in the Chapter IV of the SEBI Listing Regulations. The said certificate is annexed as Annexure VIII to this Report.

#### R. Particulars of Loans, Guarantees and Investments

[S.186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014]

Details of Loans, Guarantee and Investments are given in the notes to Financial Statements of this Integrated Report.

#### S. Extract of Annual Return

[S.92(3) of the Act read with Companies (Management and Administration) Rules, 2014]

An extract of the Annual Return of your Company for the financial year ended March 31, 2023 is available at Company's website www.hindalco.com

## Disclosures pursuant to the "Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013"

Your Company has in place a policy on Prevention of Sexual Harassment at Workplace, which is in line with requirements of the Sexual Harassment of Women at Workplace (Prevention. Prohibition and Redressal) Act, 2013 ('POSH Act'). The objective of this policy is to provide an effective complaint redressal mechanism if there is an occurrence of sexual harassment. This policy is applicable to all employees, irrespective of their level.

Your Company has also set up an Internal Complaints (IC) Committee at all our locations which is duly constituted in compliance with the provisions of the POSH Act. Further, the Company also conducts interactive sessions for all the employees, to build awareness amongst employees about the policy and the provisions of the POSH Act.

During the year under review, the Committee has received 9 complaints, all of which were disposed of with appropriate action.

#### U. Awards & Recognitions

- In addition to the accolades/awards mentioned in the Social Report, we received the following Awards & Recognitions during the year.
- Hindalco recognised as 'India's Best Employers among Nation Builders' for the second consecutive year (2023) by Great Place to Work® Institute.
- Hindalco is among top 40 of India's best workplaces in Health and Wellness 2022 by The Great Place to Work® Institute.
- Hindalco is in the top 1% S&P Global ESG score in the aluminium industry in 2022 (a score of 83/100) Hindalco continues to be a part of S&P Global Sustainability Yearbook 2023 for the second consecutive year.
- Hindalco won award for Environmental and Social Initiatives at KPMG ESG Conclave and Awards '23.
- Hindalco's Integrated Annual Report FY 2021-22 won India's best Annual Report Award in the Mining and Metals Sector, by The Free Press Journal & Grant Thornton Bharat LLP.
- Hindalco emerges as one of the 'Top Leadership Factories of India' for creating leaders at scale by Great Manager Institute®.
- Aditya unit conferred Corporate Governance and Sustainability Vision Award 2023 in CSR category by Indian Chamber of Commerce.
- Mahan unit CPP wins 'Excellent Energy Efficient Unit' in National Award for Excellence in Energy Management by CII.
- Mahan unit gets first-runner up award for 'Indian Manufacturer of the Year' at the India Manufacturing Excellence Awards by Frost & Sullivan.
- Aditya Aluminium unit bags Golden Bird National Award (Platinum Category) for its Vision Centre project.
- Aditya and Mahan plants bag 'Gold at the India Green Manufacturing Challenge Award'
- Muri Alumina Refinery receives Gold Award at IRIM (International Research Institute for Manufacturing) Annual Awards 2023.
- Utkal plant won the IMC RBNQ Performance Excellence Award 2022 in manufacturing category.
- Utkal plant won 9th CSR Times Award 2022 during 9th CSR Summit in December 2022.
- Renukoot unit won 'Excellent Energy Efficient Unit' award from CII in September 2022

#### V. Other Disclosures

In terms of the applicable provisions of the Act and the SEBI Listing Regulations, your Company additionally discloses that, during the year under review:

- there was no change in the nature of business of your Company;
- it has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2023, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon;
- it has not issued any shares with differential voting rights;
- it has not issued any sweat equity shares;
- it has not made application or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 and
- it has not made any one-time settlement for the loans taken from the Banks or Financial Institutions.
- there were no material changes and commitments affected the financial position of your Company between end of financial year and the date of report;
- there was no revision in the financial statements:
- Mr. Satish Pai: Managing Director is a director on the Board of Novelis Inc, wholly owned subsidiary. He is in receipt of annual fee of US\$ 1,50,000 in the calendar year 2023 from Novelis;
- Mr. Praveen Kumar Maheshwari: Whole Time Director and Chief Financial Officer has not received any commission/ Remuneration from your Company's subsidiaries;
- there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future
- there were no frauds reported by the Auditors u/s 143(12) of the Act.

## **Cautionary Statement**

Statements in this "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 and regulations.

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 Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information events or otherwise.

## Appreciation

We would like to record by gratitude and appreciation to all our stakeholders, including the Central and State Government Authorities, Stock Exchanges, Financial Institutions, Analysts, Advisors, Local Communities, Customers, Vendors, Business Partners, Shareholders, and Investors forming part of the Hindalco family for their continued support during the year. Your faith and vote of confidence hold in good stead, and motivate us in pursuing greater opportunities, responsible growth and enhanced delivery on our strategy. Let us also take this opportunity to thank our employees, whose enthusiasm, energy, and zeal, help us progress along our vision. The contribution our people make is the base on which we build further, and is integral to Hindalco's high performing culture.

For and on behalf of the Board

Satish Pai Kailash Nath Bhandari Managing Director Independent Director DIN: 06646758 DIN: 00026078

Place: Mumbal Dated: July 12, 2023

## Annexure I

Details pertaining to remuneration as required under Section 197(12) of the Act & Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) Total number of permanent employees as on March 31, 2023: 21,440
- Median remuneration of employees for FY 2022-23: ₹ 7,33,979 (PY: ₹ 6,57,417)
- Percentage increase in the median remuneration of employees: ~11.72%
- Average percentage increase in the salaries of employees other than the managerial personnel: ~11.6%
- Average percentage increase in the managerial personnel: ~45.08%
- Ratio of the remuneration of each director to the median remuneration of the employees; and percentage increase/ (decrease) in remuneration of each Director and Key Managerial Personnel (KMPs):

Sr. No.	Name	Designation	Increase / (decrease)%	Ratio to median remuneration	
Non-	Executive Directors <sup>(1)</sup> (Including Independent)				
1	Mr. Kumar Mangalam Birla	Chairman & Non- Executive Director	(48.78)	0.29	
2	Mrs. Rajashree Birla	Non- Executive Director	(17.08)	39.32	
3	Mr. Askaran Agarwala	Non- Executive Director	(3.72)	5.13	
4	Mr. Kailash Nath Bhandari	Independent Director	15.51	9.83	
5	Ms. Alka Bharucha	Independent Director	(2.02)	5.01	
6	Mr. Yazdi Dandiwala	Independent Director	2.35	8.18	
7	Mr. Vikas Balia	Independent Director	(12.07)	6.54	
8	Mr. Sudhir Mital	Independent Director	(24.84)	3.87	
9	Mr. Anant Maheshwari	Independent Director	(11.99)	3.87	
Key N	Managerial Personnel				
10.	Mr. Satish Pai <sup>(2)</sup>	Managing Director	51.30	505.86	
11.	Mr. Praveen Kumar Maheshwari	Whole-time Director & Chief Financial Officer	21.24	105.64	
12.	Mr. Anil Malik <sup>(3)</sup>	Company Secretary	N.A.	N.A.	
13.	Ms. Geetika Anand <sup>(3)</sup>	Company Secretary	N.A.	N.A.	

#### Notes:

- The Remuneration paid comprises of sitting fees paid for attending the meetings of the board and/or its committees.
- (2) Remuneration excludes perquisites towards exercise of ESOPs during the year.
- Remuneration paid only for part of the financial year. Hence, percentage increase/decrease in remuneration & Ratio to median remuneration in the year under review is not applicable.
- Remuneration excludes amortization of fair value of employee share based payments under IND AS-102 and provision for gratuity and leave encashment recognized on the basis of actuarial valuation as separate figures are not available.
- q) It is hereby affirmed that the remuneration paid to directors, KMPs and members of senior management is as per Executive Remuneration Philosophy / Policy of the Company.

## Annexure II

## **Dividend Distribution Policy**

#### Introduction

- 1.1. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy for the Company at its meeting held on February 13, 2017 as amended on February 22, 2021.
- 1.2. The objective of this policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

#### 2. Target Dividend Payout

- 2.1. Dividend will be declared for any financial year out of the profits of the company for that year or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation and remaining undistributed, or out of both;
- 2.2. The Board will endeavor to distribute a dividend in the range of 8 % to 10% of the Free Cash Flow at Hindalco Consolidated Level (defined as Cash Flow after meeting interest, tax, other statutory dues, maintenance capital expenditure and working capital requirements at Hindalco Consolidated Level but before considering strategic capital expenditure and debt repayments/pre-payments) of the relevant year subject to compliances of the Companies Act 2013 and all other applicable Regulations.

#### 3. Factors to be considered for Dividend Payout

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Free Cash Flow of the relevant year (as defined above)
- Stability of earnings
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Leverage profile and capital adequacy metrics
- Overall economic I regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans

### Review

This policy would be subject to revision/amendment on a periodic basis as may be necessary.

#### Disclosure

This policy (as amended from time to time) will be available on the company's website and in the annual report.

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# Annexure III

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"Form AOC-1"

## Statement containing salient features of the financial statement of subsidiaries, associates and joint ventures

## Part A: Subsidiaries

Figures Indian Rupee (INR) in Crore & Foreign Currency (FC) in Million

Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) be- fore Tax	Provision for Tax	Gain/Loss from Discontinued Operations	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
Minerals and Minerals Limited	India	INR	0.05	19.40	38.85	19.40	-	56.83	7.35	1.55	-	5.79		100
Renuka Investment and Finance Limited	India	INR	34.25	205.44	244.36	4.67	239.36	1.62	1.32	0.30	-	1.03	-	100
Renukeshwar Investment and Finance Limited	India	INR	4.80	138.25	143.27	0.23	13.94	7.84	7.83	1.95	-	5.88	-	100
Suvas Holding Limited	India	INR	29.93	0.33	34.16	3.90	-	4.11	0.86	0.25	-	0.61	-	74
Utkal Alumina International Limited	India	INR	6,251.48	4,530.29	12,145.31	1,363.54	45.96	6,049.72	1,960.58	269.78	-	1,690.80	-	100
Hindalco-Almex Aerospace Limited	India	INR	88.56	18.50	114.95	7.89	28.15	114.49	1.19	0.29	-	0.29	-	97
Lucknow Finance Company Limited	India	INR	9.90	11.82	22.69	0.97	14.22	2.98	2.53	0.21	-	2.32	-	100
Dahej Harbour and Infrastructure Limited	India	INR	50.00	59.48	132.58	23.10	15.34	71.84	16.48	2.04	-	14.44	-	100
East Coast Bauxite Mining Co.Pvt.Ltd.	India	INR	0.01	(0.05)	0.01	0.05	-	-	(0.01)	-	-	(0.01)	-	74
Utkal Alumina Social Welfare Foundation	India	INR	0.10	0.30	0.55	0.15	-	-	0.29	-	-	0.29		100
Kosala Livelihood and Social Foundation	India	INR	4.00	(1.96)	2.23	0.20	-	0.28	(1.57)	-	-	(1.57)	-	100
Birla Copper Asoj Private Limited (Erstwhile Ryker Base Pvt Ltd)	India	INR	52.02	35.26	301.19	213.90	-	248.20	16.80	4.22	-	12.58	-	100
A.V. Minerals (Netherlands) N.V.	Netherlands	INR	12,570.12	(1,319.80)	11,252.95	2.63	11,235.38	-	226.93	-	-	226.93	-	100
		USD	1,529.96	(160.64)	1,369.64	0.32	1,367.50	-	28.26	-	-	28.26	-	
Novelis Inc.	Canada	INR	11,370.94	3,434.29	24,385.09	9,579.86	-	5,770.46	2,162.56	95.36	(16.65)	2,050.55	-	100
		USD	1,384.00	418.00	2,968.00	1,166.00	-	718.47	269.26	11.87	(2.07)	255.31	-	
4260848 Canada Inc.	Canada	INR	1,007.64	(682.37)	330.65	5.38	-	-	37.96	1.56	-	36.40	-	100
		USD	122.64	(83.05)	40.24	0.66	-	-	4.73	0.19	-	4.53	-	
4260856 Canada Inc.	Canada	INR	1,511.50	(1,035.78)	483.75	8.03	-	-	56.63	2.33	-	54.30	-	100
		USD	183.97	(126.07)	58.88	0.98	-	-	7.05	0.29	-	6.76	-	
Novelis South America Holdings LLC	USA	INR	0.01	(0.01)	-	-	-	-	-	-	-	-	-	100
		USD	0.00	(0.00)	-	-	-	-	-		-	-	-	
Novelis Corporation	USA	INR	-	(4,058.70)	46,905.14	50,963.85	-	51,406.33	1,904.43	417.64	-	1,486.79	-	100
		USD	-	(494.00)	5,709.00	6,203.00	-	6,400.55	237.12	52.00	-	185.12	-	
Novelis de Mexico SA de CV	Mexico	INR	0.05	(0.05)	-	-	-	-	-	-	-	-	-	100
		USD	0.01	(0.01)	-	-	-	-	-	•	-	-	-	
Novelis do Brasil Ltda.	Brazil	INR	1,551.78	5,832.14	16,902.43	9,518.52	-	22,756.16	2,792.04	1,051.61	-	1,740.42	-	100
AL	6 .1	BRL	958.53	3,602.50	10,440.59	5,879.56	-	14,589.03	1,789.98	674.19	-	1,115.79	-	
Novelis Korea Limited	South Korea		2,621.65	1,656.00	11,309.13	7,031.48	-	20,863.97	1,250.69	274.33	-	976.36	-	100
AL PLUZIA		KRW	416,777.00		1,797,868.00		-	3,316,848.00		43,612.00	-	,	-	
Novelis UK Ltd	United Kingdom	INR	1,480.72	1,500.34	3,927.25	946.19	-	4,841.67	286.46	57.64	-	228.82	-	100
N		GBP	146.10	148.03	387.48	93.36	-	500.30	29.60	5.96	-	23.64	-	
Novelis Services Limited	United	INR	1,651.50	3,422.30	5,080.04	6.24	-	355.75	410.91	46.77	-	364.14	-	100
	Kingdom	USD	201.01	416.54	618.31	0.76	-	44.29	51.16	5.82	-	45.34	-	

Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) be- fore Tax	Provision for Tax	Gain/Loss from Discontinued Operations	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
Novelis Deutschland GmbH	Germany	INR	3,037.98	39.86	12,166.76	9,088.92	-	32,001.79	1,087.78	0.03	-	1,087.75	-	100
		EUR	340.80	4.47	1,364.85	1,019.58	-	3,826.21	130.06	0.00	-	130.05	-	-
Novelis Aluminium Beteiligungs	Germany	INR	0.22	0.19	0.42	-	-	-	-	-		-	-	100
GmbH		EUR	0.03	0.02	0.05		-	-	-			-	-	-
Novelis Switzerland SA	Switzerland	INR	44.90	4,176.20	5,827.33	1,606.24	-	8,154.19	215.84	33.57	-	182.26	-	100
		CHF	5.00	465.07	648.94	178.87	-	968.87	25.65	3.99	-	21.66	-	-
Novelis Italia SPA	Italy	INR	480.09	129.96	1,394.40	784.34	-	2,630.08	(75.02)	2.67	-	(77.68)	-	100
		EUR	53.86	14.58	156.42	87.99	-	314.46	(8.97)	0.32	-	(9.29)	-	-
Novelis Aluminium Holding Unlimited	Ireland	INR	1,935.28	628.75	9,201.26	6,637.23	-	-	859.19	238.25	-	620.95		100
Company		EUR	217.10	70.53	1,032.18	744.56	-	-	102.73	28.49		74.24		
Novelis PAE SAS	France	INR	36.01	165.80	518.49	316.68	-	115.63	5.26	0.54	-	4.71	-	100
		EUR	4.04	18.60	58.16	35.52	-	13.82	0.63	0.06	-	0.56	-	-
Novelis Europe Holdings Limited	United Kingdom	INR	403.38	1,559.05	6,184.26	4,221.82	-	-	(168.16)	-	-	(168.16)	-	100
		USD	49.10	189.76	752.71	513.85	-	-	(20.94)	-		(20.94)		
Novelis AG	Switzerland	INR	8.98	2,180.24	11,100.17	8,910.94	-	10,582.66	286.49	29.64	-	256.86	-	100
		CHF	1.00	242.80	1,236.14	992.34	-	1,257.42	34.04	3.52	-	30.52	-	
Novelis Holdings Inc.	USA	INR	0.00	483.90	12,767.59	12,283.69	-	-	(522.31)	(137.89)		(384.43)	-	100
		USD	0.00	58.90	1,553.99	1,495.09	-	-	(65.03)	(17.17)	-	(47.86)	-	
8018227 Canada Inc.	Canada	INR	-	(729.92)	2,084.10	2,814.02	-	-	(38.84)	1.83	-	( ,	-	100
		USD	-	(88.84)	253.66	342.50	-	-	(4.84)	0.23	-	(5.06)	-	
Novelis Sheet Ingot GmbH	Germany	INR	178.29	-	5,326.83	5,148.54	-	996.96	183.85	-		183.85	-	100
		EUR	20.00	-	597.56	577.56	-	119.20	21.98	-	-	21.98	-	
Novelis MEA Ltd	UAE, Dubai	INR	7.50	387.69	2,109.51	1,714.33	-	6,662.59	333.17	-	-	333.17	-	100
		USD	0.91	47.19	256.76	208.66	-	829.55	41.48	-	-	41.48	-	
Novelis (Shanghai) Aluminum Trading	China	INR	26.49	14.54	62.03	21.00	-	7.60	1.24	(0.05)	-	1.28	-	100
Company		CNY	22.14	12.16	51.86	17.56	-	6.48	1.05	(0.04)	-	1.09	-	
Novelis (China) Aluminum Products	China	INR	1,013.46	1,386.21	5,283.15	2,883.47	-	4,349.09	310.71	78.44	-	232.27	-	100
Co., Ltd.		CNY	847.31	1,158.94	4,416.98	2,410.73	-	3,709.25	265.00	66.90	-	198.10	-	
Novelis Vietnam Company Limited	Vietnam	INR	7.29	19.49	58.36	31.57	-	0.05	(1.07)		-	(1.07)	-	100
		VND	20,820.00	55,631.96	166,580.05	90,128.09	-	140.29	(3,057.00)	-	-	(3,057.00)	-	
Novelis Services (North America) Inc.	USA	INR	-	-	0.10	0.10	-	-	-	-	-	-	-	100
		USD	-	-	0.01	0.01	-	-	-	-	-	-	-	
Novelis Services (Europe) Inc.	USA	INR	-	-	-	-	-	-	-	-	-	-	-	100
		USD	-	-	-	-	-	-		-	-	-	•	
Brecha Energetica Ltda	Brazil	INR	0.00	0.00	0.00	-	-	-	-	-		-	-	100
		BRL	0.00	0.00	0.00	-	-	-	-	-	-	-	-	
Novelis Global Employment	USA	INR	49.90	(5.00)	63.26	18.36	-	-	(1.82)	(0.50)	-	(1.32)	-	100
Organization, Inc.		USD	6.07	(0.61)	7.70	2.23	-	-	(0.23)	(0.06)	-	(0.16)	-	
Novelis (India) Infotech Ltd.	India	INR	-	-	-	-	-	-	-	-	-	-	-	
		INR	-	-	-	-	-	-	-	-	-	-	-	
Novelis Deutschland Holding GmbH	Germany	INR	5,076.42	(1,439.00)	3,901.61	264.20	-	0.54	668.52	(185.30)	-	853.82	-	100
		EUR	569.47	(161.43)	437.68	29.64	-	0.06	79.93	(22.15)	-	102.08	-	

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# Annexure III

Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares,	Turnover/ Revenues	Profit/ (Loss) be- fore Tax	Provision for Tax	Gain/Loss from Discontinued	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
							Debenture, Bonds & Others		IOIE I AX		Operations	allel lax		nothing
Novelis Koblenz GmbH	Germany	INR	869.57	390.20	4,620.72	3,360.95	-	7,023.86	671.22	19.27	-	651.95	-	100
		EUR	97.55	43.77	518.35	377.03	-	839.79	80.25	2.30	-	77.95	-	
Novelis Casthouse Germany GmbH	Germany	INR	393.23	0.01	1,122.49	729.20	-	3,011.96	(25.15)	0.57	-	(25.72)	-	100
		EUR	44.11	0.00	125.92	81.80	-	360.12	(3.01)	0.07	-	(3.07)	-	
Novelis ALR Aluminum Holdings	USA	INR	10,761.09	(181.74)	17,379.62	6,800.26	-	-	(319.19)	(84.08)	-	(235.11)	-	100
Corporation		USD	1,309.77	(22.12)	2,115.34	827.69	-	-	(39.74)	(10.47)	-	(29.27)	-	
Novelis ALR International, Inc.	USA	INR	19,586.94	78.13	26,687.82	7,022.76	-	-	119.28	40.33	-	78.95	-	100
		USD	2,384.00	9.51	3,248.27	854.77	-	-	14.85	5.02	-	9.83	-	
Novelis ALR Rolled Products, Inc.	USA	INR	13,093.08	(2,832.94)	14,433.07	4,172.94	-	5,372.24	(357.89)	365.21	(2.92)	(726.02)	-	100
		USD	1,593.61	(344.81)	1,756.70	507.90	-	668.89	(44.56)	45.47	(0.36)	(90.40)	-	
Novelis ALR Asset Management	USA	INR	9.06	12.49	23.12	1.57	-	-	(1.04)	(0.71)	-	(0.32)	-	100
Corporation		USD	1.10	1.52	2.81	0.19	-	-	(0.13)	(0.09)	-	(0.04)		
Novelis ALR Rolled Products, LLC	USA	INR	2,525.69	1,400.14	7,334.77	3,408.94	-	5,534.58	1,838.29	-	-	1,838.29	-	100
		USD	307.41	170.42	892.74	414.92	-	689.11	228.88	-	-	228.88	-	
Novelis ALR Rolled Products Sales	USA	INR	0.02	(17.84)	118.40	136.21	-	-	(0.88)	(0.37)	-	(0.51)	-	100
Corporation		USD	0.00	(2.17)	14.41	16.58	-	-	(0.11)	(0.05)	-	(0.06)	-	
Novelis ALR Recycling of Ohio, LLC	USA	INR	199.02	(10.40)	1,256.01	1,067.39	-	298.57	(20.50)	-	-	(20.50)	-	100
		USD	24.22	(1.27)	152.87	129.92	-	37.17	(2.55)	-	-	(2.55)	-	
Novelis ALR Aluminum LLC	USA	INR	1,758.59	1,516.39	3,619.58	344.60	-	4,153.49	403.02	-	-	403.02	-	100
		USD	214.04	184.57	440.55	41.94	-	517.15	50.18	-	-	50.18	-	-
Novelis ALR Aluminum-Alabama LLC	USA	INR	2.64	(7.89)	42.01	47.26	-	-	(2.68)	-	-	(2.68)	-	100
		USD	0.32	(0.96)	5.11	5.75	-	-	(0.33)	-	-	(0.33)	-	
Aleris Holding Canada ULC	Canada,	INR	-	0.04	0.04	-	-	-	-	-	-	-	-	100
	Nova Scotia	USD	-	0.00	0.00	-	-	-	-	-	-	-	-	
Novelis Netherlands B.V.	Netherlands	INR	6,826.77	(2,835.70)	4,002.15	11.09	-	-	45.55	11.53	-	34.02	-	100
		EUR	765.82	(318.11)	448.96	1.24	-	-	5.45	1.38	-	4.07	-	
Aleris Switzerland GmbH	Switzerland	INR	0.18	99.91	120.84	20.75	-	-	63.60	-	-	63.60	-	100
		CHF	0.02	11.13	13.46	2.31	-	-	7.56	-	-	7.56	-	
Aleris Aluminum UK Limited	United	INR	-	-	-	-	-	-	-	-	-	-	-	
	Kingdom	GBP	-	-	-	-	-	-	-	-	-	-	-	-
Aleris Aluminum Japan, Ltd.	Japan	INR	0.74	1.11	2.28	0.42	-	1.77	0.11	0.02	-	0.09	-	100
		JPY	12.00	17.96	36.80	6.85	-	29.83	1.88	0.33	-	1.55		
Aleris Asia Pacific International	Barbados	INR	44.84	(22.55)	23.04	0.75	-	-	(0.07)	-	-	(0.07)	-	100
(Barbados) Ltd.		EUR	5.03	(2.53)	2.58	0.08	-		(0.01)	-	-	(0.01)	-	-
Aleris (Shanghai) Trading Co., Ltd.	China	INR	52.32	(12.93)	63.66	24.27	-		1.99	1.23	-	0.76	-	100
		CNY	43.74	(10.81)	53.22	20.29	-		1.70	1.05	-	0.65	-	-
Aleris Asia Pacific Limited	Hong Kong	INR	4,574.41	(1,977.52)	2,612.00	15.12	-	17.48	17.14	-	-	17.14	-	100
		USD	556.77	(240.69)	317.92	1.84	-	2.18	2.13	-	-	2.13	-	
Novelis Aluminum (Zhenjiang)	China	INR	3,850.69	(1,690.52)	3,883.03	1,722.86	-	1,902.06	104.66	(100.42)	-	205.08	-	100
Co., Ltd.		CNY	3,219.38	(1,413.36)	3,246.42	1,440.40	-	1,622.22	89.26	(85.65)	-	174.91	-	
Novelis Ventures LLC	USA	INR	-	-	25.47	25.47	-	-	-	-	-	-	-	100
		USD	-	-	3.10	3.10	-	-	-	-	-	-	-	-
Hindalco Kabushiki Kaisha	Japan	INR	1.86	(1.71)	0.33	0.18	-	-	(1.63)	0.01	-	(1.64)	-	100
		YEN	30.00	(27.55)	5.35	2.90	-	-	(27.39)	0.17	-	(27.55)	-	-

#### Notes

- (a) AV Metals Inc., a wholly owned subsidiary was merged with Novelis Inc. w.e.f. September 01, 2022.
- (b) Novelis Ventures LLC was formed on May 20, 2022
- (c) Novelis (India) Infotech Ltd. was dissolved on September 23, 2022.
- (d) Hindalco Kabushiki Kaisha, a wholly owned subsidiary was incorporated on April 08, 2022.
- (e) Exchange Rates used:

From Currency	To Currency	Average Spot Rate for the year	Closing Rate for March 31, 2023
AUD	INR	54.962	54.908
BRL	INR	15.598	16.189
CAD	INR	60.722	60.724
CHF	INR	84.162	89.797
CNY	INR	11.725	11.961
EUR	INR	83.638	89.144
GBP	INR	96.776	101.353
JPY	INR	0.59417	0.619
NOK	INR	8.076	7.843
SEK	INR	7.737	7.921
SGD	INR	58.505	61.735
USD	INR	80.316	82.160
BRL	USD	0.194	0.197
CHF	USD	1.048	1.093
CNY	USD	0.146	0.146
EUR	USD	1.042	1.085
GBP	USD	1.206	1.234
JPY	USD	0.007	0.008
SEK	USD	0.096	0.096
SGD	USD	0.728	0.751

## Annexure III

#### Part B: Associates and Joint Ventures

Sr. No.	Name of Associates / Joint Ventures	Shares of Asso	-	tures held by the cor ar end	npany on the	Networth to Shareholding	Considered in consolidation	Not considered in consolidation	Description of how there
		Latest Audited Balance Sheet Date	Number	Amount of investment (Carrying Value) in Associates / Joint Venture (Rs. in crore)	Extent of Holding % attributable	as per latest audited balance sheet (Rs. in Crore)	(Rs. in Crore)		is significant influence
Asso	ciates								
1	Aditya Birla Science and Technology Company Private Limited	31-Mar-23	9,800,000	9.80	49.00	72.76	35.65	-	**
2	Aditya Birla Renewable Subsidiary Limited (ABRSL)	31-Mar-23	6,895,200	6.90	26.00	29.26	7.61	-	**
3	Aditya Birla Renewable Utkal Limited (ABRUL)	31-Mar-23	1,274,000	1.27	26.00	5.33	1.39	_	**
4	Aditya Birla Renewable Solar Limited (ABRSolar)	31-Mar-23	24,084,014	24.08	26.00	103.78	26.98	_	**
5	Associates of Novelis Inc. @		3,001	0.40	-	0.06	0.01	-	
Joint	Ventures								
1	Hydromine Global Minerals (GMBH) Limited	31-Mar-23	66,562	0.07	45.00	-	-	-	**
2	MNH Shakti Limited	31-Mar-23	5,265,000	5.27	15.00	41.73	6.26	-	**
Joint	Operations								
1	Mahan Coal Limited	31-Mar-23	32,250,000	32.25	50.00	22.71	11.35	-	**
2	Tubed Coal Mines Limited	31-Mar-23	15,296,700	15.30	60.00	2.77	1.66	-	**
3	Joint operations of Novelis Inc. *		10,041	2,244.78		465.38	227.07	-	
@ - As	ssociates of Novelis Inc.								
	France Aluminum Recyclage SA	31-Dec-21	3,000	0.40	20%	0.06	0.01	Equity	
	Deutsche Aluminium Verpackung Recycling GmbH	31-Dec-21	1	-	30%	-	-	Equity	
* - Jo	int operations of Novelis Inc.								
	Aluminium Norf GmbH	31-Dec-22	1	273.67	50%	245.19	122.60	Equity	
	Logan Aluminum Inc.	31-Mar-23	40	0.00	40%	56.24	22.49	Consolidated	
	AluInfra Services SA	31-Dec-21	5,000	26.27	50%	0.87	0.43	Equity	
	Ulsan Aluminum Ltd.	31-Mar-23	5,000	1,944.84	50%	163.08	81.54	Equity	

<sup>\*\*</sup> There is significant influence due to percentage holding of share capital

## Annexure IV

## Annual Report on Corporate Social Responsibility Activities for the financial year 2022-23

#### 1. Brief Outline on CSR Policy of the Company:

For every Company in the Aditya Birla Group, reaching out to underserved communities is a part of our DNA. We believe in the trusteeship concept. This entails transcending business interest and grappling with the "quality of life" challenges that underserved communities face and working towards making a meaningful differences to them.

Our vision is – "to actively contribute to the social and economic development of the underserved communities, lifting the burden of poverty and helping bring in inclusive growth, in sync with the UN Sustainable Development Goals. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index", (Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural development).

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Rajashree Birla	Chairperson/Non-Executive Director	1	1
2	Mr. Yazdi Dandiwala	Member/Independent Director	1	1
3	Mr. Satish Pai	Member/Managing Director	1	1
4	Mr. Askaran Agarwala	Member/Non-Executive Director	1	1

Permanent Invitee: Dr. (Mrs.) Pragnya Ram, Group Executive President, CSR, Legacy, Documentation & Archives

Sl. No.	Particulars	Web-link(s)
1	Provide the web link where composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company	https://www.hindalco.com/sustainability/corporate-social-responsibility
		<u>CSR Project</u> https://www.hindalco.com/upload/pdf/csr-projects.pdf

4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub rule (3) of rule 8 of Companies (Corporate Social Responsibility Policy) Rules 2014 if applicable:

No Impact Study has been carried out in this financial year

- 5. (a) Average Net Profit of the Company as per Section 135(5): ₹ 3459.77 Crore
  - (b) Two percent of average net profit of the Company as per Section 135(5): ₹ 69.20 Crore
  - (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
  - (d) Amount required to be set-off for the financial year, if any: ₹ 24.06 Crore
  - (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 45.14 Crore

## Annexure IV

- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 35.56 Crore
  - (b) Amount spent in Administrative Overheads: ₹ 0.48 Crore
  - (c) Amount spent on Impact Assessment, if applicable: Nil
  - (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 36.04 Crore
  - (e) CSR amount spent/unspent for the financial year:

Total Amount Spent for the Financial	Amount Unspent								
Year In ₹ in Crore		erred to Unspent CSR r section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).						
	Amt (₹ in Crore)	Date of Transfer	Name of the Fund	Amount	Date of Transfer				
36.04	9.5	April 28, 2023							

(f) Excess amount for setoff if any: Nil

Sl. No.	Particular	Amount in Crores FY 23
(i)	Two percent of Average Net Profit of the Company as per Section 135(5)	
(ii)	Total amount spent for Financial Year	
(iii)	Excess Amount Spent for Financial Year [ii-i]	
(iv)	Surplus arising out of the CSR Projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial Year [iii-iv]	-

7. Details of Unspent CSR Amount for the preceding three Financial Years: Nil

Sl. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6)	Amount spent in Reporting Financial Year (In ₹)	Amount Transferred to any fund specified in Schedule VII as per Section 135(6) if any			Amount remaining to be spent in succeeding financial years
			NIL	Name of the Fund	Amt in Rs	Date of Transfer	(In₹)

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

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

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

Date of creation or Acquisition of the capital asset (s)	Amount of CSR spent for creation or acquisition of		ity or public authority le such capital asset is address etc.	Provide details of the capital asset (s) creayed or acqired (including complete address and location of	
	capital assets (s) (₹)	Name (Place)	Address	Contact Number	the capital asset)
			NIL		

**9.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:

During the financial year 2022-23, the Company had spent ₹ 36.04 Crore on various CSR projects as per the annual CSR plan. The unspent CSR amount of ₹ 9.5 Crore is towards ongoing CSR projects which has been transferred to the unspent CSR account and shall be spent as per the annual CSR plan in accordance with the Companies Act, 2013 and Rules made thereunder.

Mr. Satish Pai (Managing Director) (DIN: 06646758) Mrs. Rajashree Birla (Chairman, CSR Committee) (DIN: 00022995)

Place: Mumbai Date: July 12, 2023

## Annexure V

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014

### Part A- Conservation of Energy

### The steps taken on conservation of energy.

- Multiple training sessions were conducted on Energy Conservation and topics covering Decarbonisation which were attended by a large number of Hindalco employees.
- Two conferences, one covering Aluminium Smelter & Power and another covering Alumina Refining were organized during the year. This included expert sessions on energy efficiency improvement & decarbonization and were attended by large number of both internal and external participants.
- Reduction in Aluminium Smelter energy consumption through phased implementation of copper insert collector bar, Cast iron sealing, Step stub Anode, solid cathode ring and riser bar, graphitized pots, etc. During the year, total 71 pots were modified with copper insert collector bar at Aditya, Mahan & Hirakud Smelters, 169 pots were equipped with solid cathode ring & riser bar at Renukoot.
- Power Plant efficiency improvement by TG revamping, Boiler overhauling, primary air circuit optimization etc.
- Reduction in Power Plant auxiliary power consumption through various energy conservation initiatives like installing fan less cooling tower, modification in Boiler Feed Pump circuit, resizing of ACW pumps, Cooling Tower fan blade modification, de-staging of raw water pump & boiler feed pump, process optimisation etc.
- Revamping and relining of annealing & preheater furnaces, replacement of insulated tube type recuperator with energy efficient naked tube recuperator, resizing of transformer at downstream plants.
- Installation of automatic power factor controller, stepless dynamic power factor correction system for plant power distribution system and power factor optimization.
- Reduction in Refinery energy consumption by improving steam economy & liquor productivity by process optimization, reducing power consumption by intelligence flow control implementation in compressed air system.
- Rationalization of motor, pump & fan capacity and replacement of inefficient pumps & motors with high efficiency pumps & IE3 class motors. During the year, total 240 number of motors were replaced at Dahej and Renukoot.
- Installation of VFD in variable load application.

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Compressed Air system efficiency improvement through replacement of inefficient compressors, arresting leakages, process optimization etc.

#### The steps taken by the company for utilizing alternate sources of energy.

- In FY23, Biomass based boiler was installed at Belagavi to provide 4 MW power & 33 TPH process steam and 5 MW of wind power for Taloja has been completed, taking cumulative renewable installed capacity of Hindalco to 108 MW as on Mar'23.
- Renewable hybrid (20 MW Solar + 21 MW Wind) project for Dahej is in its final stages of implementation, with a target commissioning of June '23.
- Additional 41 MW of renewable project including 30 MW renewable hybrid for Belagavi, 9 MW Floating solar for Mahan & 2 MW ground mounted solar for Alupuram has been finalized and is under implementation.
- During the year, we have co-fired 42,000 tons of Biomass along with coal across our Power Plants.

- We have taken up Solar with battery storage project at two of our mines that would reduce dependency on Grid and DG set power.
- The company is actively pursuing and in advanced stage of finalizing power supply from Renewable Hybrid with pumped hydro storage project for 100 – 300 MW of RTC power for Aditya unit. Upgradation of Grid connectivity from 220 KV to 400 KV is also in progress to improve reliability.
- q. 15 Nos of Sun pipes installed for natural lighting at Mouda unit.

#### The capital investment on energy conservation equipment

The Capital investment on Energy conservation equipment & projects for the year was INR 255 crores.

### Part B- Technology Absorption

#### The following efforts made towards technology absorption at Mahan:

- ACOEM reliability solution incorporated into PTM's and WRM finishing mill motors for online Condition based monitoring.
- Stack Inspection Utilizing modern technology of Confined Space Drones.
- Installation and commissioning of smart breather in all 5 Nos. Regulating and 1 Nos Aux Transformer main tank at rectifier section.
- Wireless connectivity through WIFI has been established for three cranes in additional cast house to monitor the real-time data of the crane from the shift office itself to ensure real time predictive checks without any WAH hazard.
- Installation of signal light at B-89 and B-92 to indicate Bumper open close condition to crane operator.
- All UPS and battery Chargers interconnected in rectifier, cast house, carbon and Potline substations for improved reliability during maintenance and breakdown.
- Installation of Back view camera and side view camera in PTM-8 and its display inside cabin for operator to enhance operator alertness to prevent collision of cabin with DSL girder.
- Homo-furnace Panel view system (HMI) configured & successfully tested for Furnace operating station as well as UTS Operating station with switchover capability. It will reduce breakdown time of more than 24 hours in future as well as OEM
- Fire Detection & Protection system installed for all 5 Nos. ULCP panels in Rectifier Section.
- 3D scanning introduced for the first time in Mahan resulted into development of drawing through reverse engineering process and accordingly vendor development has been done for cost optimization.

## Specific Areas in which R&D has been carried out at Belagavi HIC:

- Development of low soda hydrate through Bayer process route.
- Technology Development for White Hydrate through Bayer Process
- Development of hydratable Alumina equivalent no cement castable application.
- Development of spherical alumina for advanced refractory applications.
- Development of hydrate for electrical FRP composite application.

## Annexure V

### Efforts made towards technology absorption at Renukoot:

#### **Laboratory**

- LIMS (Laboratory Information Management System) integration in four labs under digitalization.
- New OES installation for metal testing.
- New XRF & XRD machine installation for bath and raw material analysis.
- New CNC Lathe machine installation for metal sample preparation.
- Scanning electron microscope to be installed at PT Lab in current month.
- Heat treatment vacuum furnace restarted after installation of cooling tower for Extrusion dies.
- Digital display of product test results at site of concern plant.

#### Extrusion

- Inspection by portable equipment for onsite hardness, dimensions checking, temperature surveys etc.
- PODFA system for inclusion measurement to meet requirements from Defense Products Specifications.
- Portable electrical conductivity testing machine.
- 3D coordinate measuring machine.
- SNAP gauges & Measuring Gauges for extrusion profiles.
- Portable Hardness Tester for Extrusion profiles & plates.

#### Efforts made towards technology absorption at Aditya Smelter:

- Successful insertion of 36 copper insert collector bar pots in potline in FY23. A total of 269 cumulative pots are now in operation.
- Brownfield installation of 2<sup>nd</sup> FTA crane in ABF-2 which caters baked anodes for Hirakud Smelter.
- Installation and commissioning of India's 1st semi dry FGD in Unit#6 of captive power plant. This will help in reducing Sox emissions from stack.

### Efforts made towards Technological absorption in Hirakud:

- Low-energy copper insert collector bar technology pots were implemented at Hirakud in financial FY'17, which was done in collaboration with ABSTC. In FY22-23 a total of 114 pots were added in 85ka and 19 pots are added in 235ka potline thus making it a total 534 Pots with CuCB cumulative in the overall Potline to date.
- Replacement of ducts in the Fume treatment plant to improve the suction and fluorine enrichment in Alumina.
- Logic modification in firing control system of DC-4 furnace to improve combustion efficiency.

#### **Technology Absorption efforts in Downstream plants:**

- Developing new plant on the latest state of art Extrusion technologies for high end B & C sector application including anodizing and powder coating facilities.
- Technology Tie up with global die manufacturer M/s Phoenix, Italy for achieving better product quality, Die reliability and Surface finish.

- State of the Art 6-inch Press with all the latest technologies (Make- M/s SMS India) operationalized at Renukoot. This will serve the lighter profiles in the B & C market.
- Improvement and control in extrusion product quality through Inspection by portable equipment's for onsite hardness, dimensions checking, 3D coordinate measuring machine, SNAP gauges & Measuring Gauges for extrusion profiles.
- Better Casting Control through use of PODFA system for inclusion measurement to meet requirements from critical customers specifications.

#### The benefits derived like product improvement, cost reduction, product development or import substitution

#### Benefits derived as a result of technology absorption at Mahan:

#### New Product development

a) 10 Inch Billet Casting table for enhancement of product portfolio.

#### New process development

- a) Successful Installation and Commissioning of Coil Unwinder.
- O2 Grid installation in APH.
- 400 mm slot height anode made in-house by cutting slot within plant itself.
- d) In heating ramp logic of pulsing of HFO is changed to 60:40 in 60 % time of heating cycle.

#### Productivity improvement

- Volume maximization of high purity premium grade product: P0303 & P0404
- Introduction of mechanized ramming machine for relining of Induction furnace.

#### Import Substitution

- a) Servo-make Hydraulic/Gear oil usage in place of imported oil.
- Indigenization of various critical spares of Wire rod mill like Casting mould, finishing mill stands, coiler etc.
- New IOCL make lubricant for coiler mandrel unit.
- Indigenous development of finishing mill stands emulsions seal.
- Import substitution of Anode cleaning Equipment Shotblast Turbine spares.
- Vendor development of Secondary crusher bearing seals.
- Vendor development for P&F driven chain -500 meter.

#### Benefits realized as part of developmental work at Renukoot:

- Upgradation of lab infrastructure for better control of raw materials and process quality.
- Digital integration of lab results

#### Benefits realized due to the technology absorption at Aditya:

Increase in current efficiency by approx. 1% and reduction in the Specific energy consumption by 270 Kwh/MT due to the copper insert collector bar pots.

## Annexure V

- Higher Productivity of baked anode and subsequent increase in metal production at Hirakud Smelter plant.
- Better Baked anode quality and productivity by achieving 26.9 hours fire cycle (previous 24 Hrs).
- Improvement in ABF-2 availability from 92 to 94%.
- Timely Replacement of the critical Flue wall without impacting Production. Total 22 Nos. of Outer Flue walls Replaced in ABF 2 smoothly.
- Semi dry FGD will help in reducing Sox emissions by 65-70%.

## Benefits realized due to the technology absorption at Hirakud:

- Increase in Current efficiency and Specific energy by 1.6% and 114 Kwh/MT in 85 KA potline by use of Cu insert collector
- Reduction in Specific Alf3 consumption by 1.5 Kg/MT. Better gas suction and reduction in fugitive emissions in potline.
- Reduce in furnace oil consumption of DC-4 by 15 Ltr/MT which is approx. 40 Lacs per annum.

#### Benefits realized due to technological Efforts at Belagavi:

- Improvement of plant process efficiency and consistency in the quality of Bayer hydrate.
- Increase in sales realization in the value-added products, leading to the improvement in business profitability.
- Enhancement of customer satisfaction
- Increase in market share in preferred applications and entering new market segments.
- Development of products as an equivalent to imported materials and increase in market share.

#### Benefits realized due to technological Efforts at Downstream:

New Product Development

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- Development of Can Body Stock (CBS), qualification of product at multiple Can Manufacturing units and commercial production from HKD FRP.
- 5083 H111, H321 (Special Temper) plates developed in house for Railway wagon, Bulker and Trailer and marine application by stabilizing low temperature Hot Rolling.
- Development of Special AA6061 Rectangular Tubes for Mountain Foot Bridge
- Development of AA6061 alloy profiles for railway wagon.
- Development of AA6082 alloy profiles for marine applications for import substitution.
- Development of AA6061 alloy section for Automotive Industry
- New Capability development in AA7075 and AA2024 alloys at Alupuram extrusion plant for Aerospace sector for import substitution.

#### Import Substitution:

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

Technology imported for	Year of import	Has technology been fully absorbed	If not fully absorbed areas where this has not taken place reason thereof and future plant of action
At Mahan - NOx - Fortum Finland	2021	Yes	
At Mahan - SPM Control Helios & Kraft Powercon	2022	Yes	
Mahan CPP - FGD (Semi Dry system) Foster Wheelers	2023	No	under commissioning

#### **R&D** expenses Incurred:

The Company has spent ₹ 33 Crore for Research & Development during the financial year 2022-23 Foreign Exchange Earnings & Out go:

#### a) Activities related to exports:

Exports [FOB] during the year were ₹ 17,319 Crore.

#### Total Foreign Exchange Used and Earned:

- Foreign Exchange used ₹ 37,993 Crore.
- Foreign Exchange Earned ₹ 17,319 Crore.

## Annexure VI

#### **Remuneration Policy**

Hindalco Industries Limited ("the Company') an Aditya Birla Group Company adopts/shall adopt this Executive Remuneration Philosophy/Policy as applicable across Group Companies. This philosophy/ policy is detailed below.

### Aditya Birla Group: Executive Remuneration Philosophy/Policy

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities – with the long-term success of our stakeholders.

Our business and organizational model

Our Group is a conglomerate and organized in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

I. Objectives of the Executive Remuneration Program

Our executive remuneration program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

Our executive remuneration program is intended to:

- 1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis
- 2. Emphasize "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.
- II. Covered Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

- Directors of the Company
- 2. Key Managerial Personnel: Chief Executive Officer and equivalent (eg: Deputy Managing Director), Chief Financial Officer and Company Secretary.
- 3. Senior Management: As decided by the Board

#### III. Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

#### IV. Executive Pay Positioning

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive pay-outs at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognize the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

#### V. Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits

Annual Incentive Plan:

We tie annual incentive plan pay-outs of our executives to relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/ focus areas for the business.

Long-Term Incentive:

Our Long-term incentive plans incentivize stretch performance, link executive remuneration to sustained long term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long term incentive vehicles, to motivate and retain our executives.

#### VI. Performance Goal Setting

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

## VII. Executive Benefits and Perquisites

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

### Other Remuneration Elements

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives including continuity of service across the Group Companies.

We limit other remuneration elements, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale and generally do not provide for any tax gross-ups for our executives.

## Annexure VI

#### Risk and Compliance

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

#### Claw back Clause:

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act 2013 and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him / her as per restatement of financial statements, pertaining to the relevant performance year.

#### Implementation

The Group and Business Centre of Expertise teams will assist the Nomination & Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

## Annexure VII

## Secretarial Audit Report of the Company for the financial year ended March 31, 2023

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

To

#### The Members

#### **Hindalco Industries Limited**

21<sup>st</sup> Floor, One International Centre, Tower 4, Near Prabhadevi Railway Station, Senapati Bapat Marg, Prabhadevi, Mumbai – 400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDALCO INDUSTRIES LIMITED having CIN No. L27020MH1958PLC011238** (hereinafter called the 'Company') for the audit period covering the financial year ended on **31**<sup>st</sup> **March 2023** (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed, soft copy as provided by the company and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; We hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 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 and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992;
  - (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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021)
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; and
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities ) Regulations, 2021.
  - \* The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirements of regulation 3 (5) and 3 (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (vi) Other laws specifically applicable to the Company are:
  - (a) The Mines Act, 1952; and
  - (b) The Mines and Minerals (Regulation and Development) Act, 1957.

Secretarial Standard namely, SS-1 and SS-2, respectively in relation to the meetings of the Board of Directors and General Meetings, issued by The Institute of Company Secretaries of India, and notified by Central Government under Section 118(10) of the Act and mandatorily applicable to the company

## Annexure VII

During the audit period, the Company has complied with the provisions of the Acts, Rules, Regulations, Standards and Byelaws mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment.

#### We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and KMPs as on 31st March 2023 as under:

- Two Executive Directors i.e. Mr. Satish Pai and Mr. Praveen Kumar Maheshwari:
- II. Three Non- Executive Non- Independent Directors i.e. Mr. Kumar Mangalam Birla Chairperson, Mrs. Rajashree Birla and Mr. A K Agarwala, ; and
- III. Six Non- Executive Independent Directors, including one woman director i.e. Mrs. Alka Bharucha, Mr. K.N. Bhandari, Mr. Y.P. Dandiwala, Mr. Vikas Balia, Mr. Sudhir Mital and Mr. Anant Maheshwari.

During the year the following changes in the composition of the Board of Directors were carried out in compliance with the provisions of the Act, Rules made thereunder and SEBI (LODR) Regulations:

- Re- appointment Ms. Alka Bharucha (DIN: 00114067), as an Independent Director, for a second Term of 05 (Five) Years [i.e. From July 11, 2023 through July 10, 2028] through postal ballot dated 9<sup>th</sup> February, 2023.
- II. Re-appointment of Mr. Kumar Mangalam Birla (DIN: 00012813), as Non Executive Director, who retires by rotation at the Annual General Meeting dated 23<sup>rd</sup> August 2022.
- III. Reappointment of Mr. Praveen Kumar Maheshwari (DIN: 00174361) as Whole-time Director w.e.f. 28<sup>th</sup> May, 2022, at the Annual General Meeting dated 23<sup>rd</sup> August 2022.
- IV. The Board of the Directors in its Meeting dated 10th August, 2022 has accorded its approval for appointment and remuneration of Ms. Geetika Anand as Company Secretary & Compliance Officer of the Company effective from 01st December, 2022.and relinquishment of office by Mr. Anil Malik as the Company Secretary and Compliance Officer w.e.f 30th November from the close of business hours.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 (seven) days in advance except for two Meetings of the Board where consent for shorter notice was obtained from majority of the directors.

A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the audit period.

**We 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.

We further report that during the audit period, following specific event / action has occurred during the year:

- 1. During the audit period, the Company has allotted 43,722 equity shares under Employee Stock Option Schemes.
- 2. The Company has entered into various material transactions and same was approved by members via postal ballot (conducted during the year and approved by the shareholders, w.e.f...) as follows:
  - a) Material Related Party Transactions with Grasim Industries Limited,

- b) Material Related Party Transactions between Novelis Corporation and Logan Aluminum Inc.,
- Material Related Party Transactions between Novelis Korea Limited and Ulsan Aluminum Limited,
- d) Material Related Party Transactions between Novelis Deutschland GmbH and Aluminium Norf GmbH,
- 3. The Board of the Directors in its Board Meeting dated 11th November 2022, accorded its approval to borrow up to ₹1,000 crore from Debt / bond market to meet regulatory requirements to borrow from the Financial Institutions, Banks, Debt / bond market and other Lenders by way of Loans, Issue of Secured/ Unsecured Redeemable Non-Convertible Debentures, in one or more tranches, not exceeding in the aggregate a sum of ₹1,000 Crores (Rupees One Thousand Crores only) on such terms and conditions as may be agreed and at such rate of interest as may be negotiated and stipulated.
- 4. The Capital Raising Committee of the Board of Directors of the Company has approved allotment of 70,000 7.60% p.a., Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each aggregating to ₹ 700 Crores, on Private Placement Basis ["NCDs"].

Venkataraman K Associate Partner ACS: 8897/ COP: 12459 For BNP & Associates Company Secretaries [Firm Regn. No. P2014MH037400] (PR No:- 637/2019) UDIN: A008897E000587631

Date: July 12, 2023 Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## Annexure VII

#### Annexure A to the Secretarial Audit Report of the Company

To, The Members, Hindalco Industries Limited

Secretarial Audit Report of even date is to be read along with this letter.

- The compliance of provisions of all laws, rules, regulations, standards applicable to Hindalco Industries Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
- 2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
- 3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
- 4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
- 6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman K
Associate Partner
ACS: 8897/ COP: 12459
For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
(PR No:- 637/2019)
UDIN: A008897E000587631

Date: July 12, 2023 Place: Mumbai

## Annexure VII A

## Secretarial Audit Report of the Material Unlisted Subsidiary of the Company

## for the financial year ended March 31, 2023

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

To.

The Members of,

#### **Utkal Alumina International Limited**

J 6 Jayadev Vihar Bhubaneswar 751013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Utkal Alumina International Limited** 

**CIN No. U13203OR1993PLC003416** (hereinafter called "the Company") for the financial year ended on 31<sup>st</sup> March, 2023 (the "Audit Period").

We have conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and for expressing our opinion thereon.

We are issuing this report based on:

- (i) Our verification of the Company's books, papers, minutes books, soft copies of various records, scanned copies of minutes of meetings of the Board, its committees, forms and returns filed and other records maintained by the Company, provided to us through electronic mode;
- (ii) Compliance certificates confirming compliance with Corporate laws applicable to the Company given by the Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Company's Audit Committee / Board of Directors; and
- (iii) Representations made, documents produced and information provided by the Company, its officers, agents and authorized representatives during our conduct of Secretarial Audit

We hereby report that, in our opinion, during the Audit Period covering the financial year ended on 31st March, 2023, the Company has: -

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter.

#### 1. Compliance with specific statutory provisions

We further report that:

- 1.1 We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the audit period in terms of the applicable provisions / clauses of:
  - (i) The Companies Act, 2013 ("the Act") and the Rules made thereunder;
  - (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder; and
  - (iv) Secretarial Standards ("SS-1 and SS-2") respectively relating to meetings of the Board and its Committees and general meetings of the Company issued by the Institute of Company Secretaries of India and notified by the Central Government under Section 118 (10) of the Act which have mandatory application.
- 1.2 During the audit period, the Company has:
  - (i) Complied with all the applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.

## Annexure VII A

- (ii) Generally complied with the applicable provisions / clauses of:
  - (a) The Secretarial Standard on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") mentioned under paragraph 1.1 (v) above, which are applicable to meetings of Board of Directors ("Board"), Committees constituted by the Board held during the audit period, the 29<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2022 held during the audit period. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conference for the Board/Committee meeting(s) held during the audit period, were verified based on the minutes of the meetings provided by the Company.
- 1.3 During the audit period, provisions of the following Acts /Regulations were not applicable to the Company:
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,
  - ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
  - iv. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015\*,
  - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021,
  - vi. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021,
  - vii. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993,
  - viii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021,
  - ix. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, and
  - x. FEMA, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investments ("FDIs"), Overseas Direct Investments ("ODIs") and External Commercial Borrowings ("ECBs").
  - \* The Company being the wholly owned subsidiary of Hindalco Industries Limited, a listed entity, the Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 applicable for Hindalco Industries Limited will also be applicable to the designated employees of the Company as "connected persons".

#### 2. Board Process of the Company: -

We further report that -

- 2.1 The Board of Directors of the Company as on 31st March, 2023, comprised of:
  - (i) Six Non-Executive Non-Independent Directors: -
    - Mr Anil Vasant Arya (DIN: 03310125)
    - Mr. Indrajit Pathak (DIN: 00194571)
    - Ms. Pragnya Ram (DIN: 00832233)
    - Mr. Praveen Kumar Maheshwari (DIN: 00174361)
    - Mr. Rajesh Kumar Gupta (DIN: 08567889)
    - Mr. Surva Kanta Mishra (DIN: 02544268)
- 2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the audit period were carried out in compliance with the provisions of the Act:
  - (i) Re-appointment of Mr. Surya Kanta Mishra (DIN: 02544268) as a Director of the Company, on retirement by rotation at the 29<sup>th</sup> Annual General Meeting of the Company, held on 30<sup>th</sup> September, 2022.
  - (ii) Resignation of Mr. Sudhakar Biswal, Chief Financial Officer ("CFO") of the Company w.e.f. 17<sup>th</sup> October, 2022.
  - (iii) Appointment of Mr. Bhaskar Banerjee as the CFO of the Company w.e.f. 17<sup>th</sup> October, 2022, at the meeting of the Board of Directors of the Company held on 17<sup>th</sup> October, 2022.

- 2.3 Adequate notice(s) with Agenda and the detailed notes to Agenda of at least seven days was given to all the directors to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board, and where the meetings were held at shorter notice, due compliance was ensured, as required under the Act and the Secretarial Standard on meetings of the Board of Directors.
- 2.4 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.
- 2.5 We note from the minutes examined during the course of audit that, at the Board meetings held during the audit period:
  - (i) Decisions were taken through the majority of the Board; and
  - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

#### 8. Compliance Mechanism

We further report that, there are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and quidelines.

#### 4. Specific events / actions

During the audit period under review, as explained and represented by the management, there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., which have a major bearing on the Company's affairs except for the following:

- Board of Directors at its meeting held on 03<sup>rd</sup> August, 2022, issued and allotted one (01) Zero Coupon Unsecured Redeemable Non-Convertible Debentures ("NCDs") of the face value of ₹ 3 Crore each (Rupees Three Crore Only) aggregating to NCDs of ₹ 3 Crore to Orissa Mining Corporation Limited for consideration other than cash on a Private Placement Basis.
- Board of Directors at its meeting held on 17<sup>th</sup> October, 2022, authorised to contribute an amount of ₹ 35,00,00,000/(Rupees Thirty-Five Crore Only) to AB General Electoral Trust in one or multiple tranches and/or purchase the Electoral
  Bonds in accordance with the Electoral Trust Scheme, 2018.

Date: May 23, 2023 Place: Mumbai

CS Kavita Shah Associate Partner ACS 50804/COP No. 20796 UDIN: A050804E000359486 For BNP & Associates

Company Secretaries [Firm Regn. No.:- P2014MH037400] PR. No. 637/2019

<sup>\*</sup> The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.

## Annexure VII A

### Annexure A to the Secretarial Audit Report of the Material Unlisted Subsidiary of the Company

To,

The Members of.

#### **Utkal Alumina International Limited**

J 6 Jayadev Vihar Bhubaneswar 751013

Our Secretarial Audit Report of even date is to be read along with this letter.

- 1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
- 2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
- 3. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.
- 4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- 7. Our 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.

CS Kavita Shah **Associate Partner** ACS 50804/COP No. 20796 UDIN: A050804E000359486 For BNP & Associates **Company Secretaries** [Firm Regn. No.:- P2014MH037400]

PR. No. 637/2019

Date: May 23, 2023 Place: Mumbai

## Annexure VIII

### **Certificate from Practicing Company Secretary on Corporate Governance**

To, The Members of **Hindalco Industries Limited** Mumbai

We have examined the compliance of the conditions of Corporate Governanceprocedures implemented by HINDALCO INDUSTRIES LIMITED ("the Company") having CIN: L27020MH1958PLC011238for the year ended on March 31, 2023, as stipulated in under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that to the extent applicable the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance 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.

For DILIP BHARADIYA & ASSOCIATES **DILIP BHARADIYA** Partner FCS No. 7956, CP No. 6740 UDIN: F007956E000589691

Place: Mumbai Date: July 12, 2023

# Social Report

#### **Towards Inclusive Growth: CSR Report 2022-23**

"Global development is not possible without women's participation", a profound statement made by our Honorable • Prime Minister, Shri Narendra Modiji, at the G20 Summit in Bali, clearly signals the fact that women are indeed at the core of India's G20 agenda. The Government of India is soon to hold the G20 Ministerial Conference on Women Empowerment. In this context, EMPOWER is the G20 alliance fixated on empowerment and progression of women's economic representation. A McKinsey report mentions that India can line its GDP up to 18 percent if it can work out ways to bridge the gender equity gap. This is the outcome of envisioning the positive power of women, if their creative potential was tapped to the maximum. Our government is a signatory to the UNSDG Goals, among which SDG-5 is a commitment to gender equality. Phenomenal steps have been taken to rise up to this goal and assiduously pursue the upliftment of women every which way.

As you may be aware, G20 Presidency of India is ongoing. Within its frame EMPOWER is championing women led development pivoted on women entrepreneurship, leadership inclusive at all levels, grassroots and above as well as education. FICCI has been named the official G20 EMPOWER Secretariat. One is privileged to serve on this team and even more heartened to see that all of its objectives are already embedded in our Aditya Birla Group companies, and we are totally in sync with its focus, both at the corporate level and in the interiors.

At the corporate level, over 7,500 women are in the management cadre of which 10 percent are in leadership roles. Our constant endeavor is to go on fostering the enabling ecosystem and the inclusive culture that ABGites experience and take pride.

We are engaged in enriching lives in 9,000 villages pan India, through our multiple CSR initiatives. A call-out of our selective women centered projects:

 More than 20,280 women were served through livelihood programmes enabled by the Nudge Foundation's Asha Kiran project with our support.

A summary of our work:

### SDG-1: To rid poverty across all nations by 2030

In the 10 States and in Silvasa (Union Territory), spanning 616 villages and reaching out to 10 lakh people, over decades, we have been unrelentingly battling with poverty, in multiple ways to decelerate the percentage of BPL families.

- Over 14,000 women are employed in our fashion business. These are unlettered and come from villages.
- Honing skills and training vulnerable communities in different vocations
- Strengthening the women farmer community, endeavoring to close the marketing loop and forming women led Farmer Producer Organizations (FPO) on high value agriculture.
- Setting up watershed management and water harvesting processes towards sustainable livelihood.
- We have trained 50,000 women in different skills set.
- We have empowered 45,000 women through the creation of 5,000 SHGs. They are engaged in income generation activities such as tailoring (our uniforms at the manufacturing plants are tailored by the SHG women), also running salons, making masalas, papads and other kitchen condiments, which again are looped back to us besides the local market. Livestock rearing, horticulture and vegetable cultivation, besides toy making are some of the areas, these SHGs specialize in with our handholding on the financial side, helping them access loans.
- In the domain of education, we reach out to well over 100,000 students through our network of formal (52 schools) and non-formal educational institutes. Of these, girls constitute 50%. Furthermore, we foster the cause of the girl child through 52 Kasturba Gandhi Balika Vidyalayas.

In our journey up until now, in different phases, we have seen women evolve and develop grit and substance, reflecting the triumph of the human spirit.

Your Company is equally committed to unlock the creative potential of women to the optimal, with a clear linkage to the SDG Goals. Read on".

Rajashree Birla

Chairperson,

Aditya Birla Centre for Community Initiatives and Rural Development

Chairperson, Hindalco Industries CSR Board.

# SDG-2: To end all forms of hunger and malnutrition by 2030

Through sustainable agriculture, we endeavor to increase productivity, sustainable use of natural resources through technology upgradation, promotion of irrigation, water harvesting and closing the marketing loop. We partner under

various Government Schemes and with support from the District Authorities, Agriculture Universities and Krishi Vigyan Kendras, we are aiming to significantly lowering the current rate of malnutrition to 5% from 19 % in the foreseeable future.

Through 173 farmer meetings, Kisan Melas, training programmes coupled with knowledge sharing on farm related activities, boosting agriculture and horticulture that profess the best-in-class agricultural practices and mechanisms, we have touched the lives of over 7,890 farmers including 2,230 women farmers.

Small farmers are helped through exposure to demonstration plots in waste lands where the farming inputs are minimal. More than 1,441 farmers were provided with agricultural tools, seeds, fertilizers and other crop protection agents, of which women constitute 30 percent.

We have also promoted 68 farmers clubs at Renukoot (60) and Renusagar (8) benefitting 1,462 farmers. Nine farmers were taken for exposure visits from Lohardaga and Renusagar.

More than 102 farmers, inclusive of 23 female farmers are engaged in organic farming with our support. We developed 33 vermin compost tanks at Renukoot and Lohardaga to encourage farmers to adopt organic farming methods.

#### **Water Positivity**

Water conservation and optimum utilization, within the fence and beyond, is one of the most important tasks before us. Towards providing assured irrigation we have conserved 1.24 lacs cubic meter of water by constructing 14 check dams, 5 ponds, 38 bundings, 3 water sheds, 27 rain water harvesting structures and repaired 2 irrigation channels to irrigate 1,000 hectares of additional land of 1,597 farmers in coordination with the Government. Consequently, farmers moved to cultivate cash crop and reap a rich harvest. Through our agro based livelihood and watershed management projects, we touched the lives of over 67,814 women.

This year 26,896 animals of 6,528 cattle owners, were immunized at veterinary camps and a large number were artificially inseminated for better breed. This has raised the milk output and consequently there has been a surge in the income of the farmers.

Aditya Birla Technology Park is successfully implementing the cattle breeding project (Godhan) at Muirpur, Uttar Pradesh. Over 160 cattle went through artificial insemination, benefitting 112 farm families whereas 2,782 cattle were treated for different diseases. In most of the farm families, women are encouraged to participate as well.

# SDG-3: Ensuring, healthy lives and promoting well-being for all, in all age groups

Over 7 lakh people recourse to healthcare initiatives. Through 960 rural medical, 210 health awareness and 11 specialty camps, we have reached out to 1,07,887 patients <u>out of which around 60% are women.</u>

Splendid patient care is accorded at our Company's 2 hospitals, 20 dispensaries/ clinics located at Renukoot and Renusagar (Uttar Pradesh), Belagavi (Karnataka), Muri and Lohardaga (Jharkhand), Garepalma and Samri (Chhattisgarh), Dahej (Gujarat). 56,149 patients were treated out of which around fifty percent are women. Our units at Renukoot, Garepalma, Maliparbat, Taloja, Chakla and Silvassa have extended support to 12 Government/ Charity run primary health centers, where 60,410 patients availed these facilities.

At eye camps, we treated 2,135 people, performed 376 intraocular operations and distributed 30 spectacles. At 34 dental check camps at Singrauli, Renukoot, Renusagar and Belagavi, 1,334 persons, including more than 600 women, were treated. In our Surgical Camps 12 patients underwent surgeries at Renukoot.

In collaboration with the Government, <u>204 females out of 635 patients</u> were diagnosed with Tuberculosis and registered under the directly observed treatment (DOT) programme at Lohardaga, Singrauli, Silvassa, Renukoot, Renusagar and Lapanga.

At 2 camps organised at Renukoot and Singrauli for the differently abled, 94 persons attended, and 39 persons have received calipers.

At the 87 camps in Singrauli, Taloja, Belagavi, Lohardaga, Kathautia, Renusagar and Renukoot on STD/RTI and AIDS awareness, 4,627 persons underwent tests including <u>around</u> 2000 women.

In association with the Government, we have conducted 50 street plays for creating awareness on diseases such as TB and sickle cell anemia among more than 7,500 people in 7 villages in Silvassa.

We organised 77 seasonal disease camps for prevention of Malaria and Diarrhoea at Renukoot, Renusagar, Singrauli, Lohardaga and Samri Mines. At these camps, of the 7,244 people who attended, the women numbers were in excess of 4000. Furthermore, we distributed mosquito nets to 4,500 people at Renukoot and Singrauli.

## Social Report

Health check- up camps were carried out in 34 schools at Lohardaga (Jharkhand), Renukoot (Uttar Pradesh), Taloja (Maharashtra), Samri (Chhatisgarh) and Belagavi (Karnataka). Our medical teams examined 2,453 students, including more than 1000 girls, on their general health, dental hygiene and eye care and conducted blood-group tests.

In 10 blood donation camps, 375 units of blood were donated by the volunteers at Renukoot, Belagavi, Taloja, Chakla and Silvassa.

In collaboration with the District Health Department, our 23 Family Welfare Centers served 34,829 patients out of which around 40 percent were women. Over 47,856 children were immunized against Polio, BCG, DPT and Hepatitis-B across the Company's Units.

More than 10,189 women have availed antenatal, postnatal care, immunisation, nutrition and escort services for institutional delivery at Renukoot, Singrauli, Samri, Kathautia and Taloja. Over 1,122 mothers opted for institutional delivery.

Our focused programme on School adolescent health care covered, 1,623 girls in 29 camps at the Government's Girls High Schools and Kasturba Gandhi Balika Vidyalayas.

During this period, 4852 patients were provided with ambulance support in Muri, Renukoot, Lohardaga, Mahan and Kathautia.

#### **SDG-4: Education**

Our proactive initiatives to foster education in the villages have yielded encouraging results.

Our 10 Aditya Birla Public Schools (Renukoot, Renusagar, Dahej and Muri), have enrolled 4632 rural students. Additionally, 918 students have been enlisted in our 4 Aditya Birla Vidya Mandirs at Renukoot, Kathautia and Samri.

At our 27 Balwadis, 763 pre-schoolers including 358 girls have taken their first steps towards informal learning processes at Renukoot, Lohardaga, Samri, Belagavi and Singrauli.

Over, 3,440 children including 1,548 girls have been enrolled at 92 Anganwadis that we support at Renukoot, Singrauli, Samri, Lohardaga, Renusagar, Taloja, Chakla, and Belagavi.

We aligned very well with 6 Kasturba Gandhi Balika Vidyalayas at Renukoot, Muri, Lohardaga and Samri motivating 881 girls to pursue education.

We also distributed education material including notebooks, school bags and uniforms to over 4,690 children of 24 Schools out of which 1551 are girl students.

Through the talent search programmes, we recognized 228 bright students including girls, giving them scholarships.

Over 556 students, including 256 girl students from the hinterland attended the 6-month computer literacy programmes conducted at Renusagar, Singrauli and Chakla.

School transport services were availed of by 920 students. Among them, there were 478 girl students.

In the 4 coaching classes run by us, 365 students including 200 girls opted to join. Similarly our career quidance classes were attended by 60 students including 50 girls.

More than 2,530 students including 1,218 girls participated at various school level competitions / programs that were conducted.

In our 8 female adult literacy programmes 183 participants enrolled. In addition, we also run 9 Non-Formal Schools at Lohardaga and Samri with 390 students including 198 girls.

Digitization "Smart Classes" at Singrauli and Taloja Schools in tandem with the Government, benefitted 2,025 children.

To enhance the learning outcome of students, we have set up 2 science laboratories at Garepalma and Mahan Government high schools.

We have supported the "Mo School" initiative of Government in 123 high schools of Sambalpur, Rayagada, Kalahandi and Koraput districts of Odisha. We were tasked with providing quality infrastructure for all high school students. So far, we have contributed Rs. 9.70 crores towards the project with a matching grant in 2:1 being supplemented by the government.

We constructed 5 additional class rooms at Renukoot and Taloja and repaired 10 school buildings at Singrauli, Renukoot, Lohardaga, Samri, Belagavi and Taloja. We built 6 new school toilets at Lohardaga, Singrauli, Renukoot and Samri. We have also provided furniture to 4 schools at Alupuram and Taloja.

All in all, we have accorded education facilities to 34,012 girls.

#### SDG-5: Women empowerment and gender equality

We are working with 1,624 self-help groups totaling 21,358 women, each one of them has been on a transformative journey.

At Renukoot, Renusagar, Dahej and Lohardaga, these women stitch our uniforms.

We touched the lives of 92,000 women.

## The sixth, seventh and eighth SDGs, center on water • and sanitation, reliable, sustainable, modern energy, decent work, and economic growth

Our 9 Reverse Osmosis (RO) plants, 54 hand pumps, repaired 240 hand pumps and dug wells provide safe drinking water. Pipelines, water tanks, doorstep water facilities benefit more than 89,380 villagers.

Additionally, 33 individual toilets and sanitation facilities were set up at various locations. We are pleased to report that 93% of the villages where we operate have been declared ODF.

We have installed 226 Solar street lights at Silvassa, Lohardaga and Renusagar under the Kiran Jyoti Project. At Lohardaga we have distributed 74 units of Solar home light system.

We have developed nurseries at Renukoot, Lohardaga and Samri to ensure distribution of 97,158 saplings to farmers. In addition, we have distributed 44,858 plants to the farmers including 23,646 fruit bearing tree saplings.

"At the Aditya Birla Rural Technology Park, 14 training batches were organised for Vocational Training. The thrust areas are on computer literacy, repair of electric and electronic goods, handicrafts, beautician, tailoring and knitting. This year 337 aspirants were trained in these trades, 269 of them are women. On capacity building 29 additional training programmes were held for 665 participants which included 299 women.

#### SDG-9: Build resilient infrastructure

Our infrastructure projects: connectivity, road repairs, community halls and assets, rest places, installation of solar lights. Cement benches, construction of water tanks and installation of piped water supply, have bettered the lives of 1,50,000 people. Of which 79,500 constitute the women populace.

Of the 616 villages we operate in, 48 villages have been slated to become model villages. Up until now, 114 villages have made the cut to be rated as model villages. Impact assessment studies by external agencies have certified/commended the transformation of these villages.

#### Accolades/Awards received:

We received Aditya Birla Group Planet CSR Award for our project on water conservation. In addition Hindalco and its Subsidiaries have received accolades at the national level.

- FICCI CSR Award for Food Security and Agriculture for Project Sugandha – Utkal
- FICCI CSR Awards for skill development and Livelihood - Mahan

- Golden Bird National Award- Platinum Category for Health Care – Aditya
- Indian Chamber of Commerce 5th Social Impact award 2023 to Renukoot for Water Conservation.
- Indian Chamber of Commerce 5th Social impact Award 2023 to Utkal Alumina for Sustainable Livelihood Generation in Large Enterprise Category
- Amity CSR Award on Women Empowerment for project Saksham-Aditya
- Indian Chamber of Commerce awarded Corporate Governance and Sustainability Vision Award 2023 for Community Development - Aditya
- Golden Bird National Award Diamond Category for Best Practices-Lohardaga
- SKOCH award in the silver category for Briquette plant - Lohardaga
- IWEC Social leadership award by ICC and Odisha Corporation Foundation- Utkal
- Times Ascent & World Federation of marketing professionals- Eastern India Leadership Award for Best Practices (CSR) - Utkal
- 6th CSR Health impact award-Rural Health Initiatives-IHW Council -Utkal
- 9th CSR Times Award for Project Unnat Utkal
- 6th Edition Corporate Social responsibility Summit and Award 2022 by UBS forums Pvt Limited - Utkal
- Odisha CSR Forum Award for Livelihood Project Sugandha - Utkal.

## **Our CSR spends**

This year we invested ₹ 36.04 crores for other than ongoing projects, committed ₹ 9.5 crores towards ongoing project and raised ₹ 79.97 crores leveraging the Government's development programmes. In addition, our subsidiaries together have spent ₹ 22.34 crores. We had a flow over of ₹ 24.06 crores from the preceding years, this has also been added.

For having come this far, we deeply acknowledge the unflinching support of our Chairman and Chairperson, and their commitment to the larger good of society. We thank the Board of Directors, our Management, leadership teams, our CSR people and each and every colleague from Hindalco Industries Limited for being CSR champions. We take great pride that Hindalco like all of our companies in the Aditya Birla Group companies is looked upon as a force for good among the communities where we operate.

#### **SECTION A: GENERAL DISCLOSURES**

#### Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity: L27020MH1958PLC011238
- Name of the Listed Entity: HINDALCO INDUSTRIES LIMITED
- Year of incorporation: 15-12-1958
- Registered office address: Ahura Centre B Wing 1st Floor Mahakali Caves Road Mumbai 400093 changed to 21st Floor, One International Center, Tower 4, Near Prabhadevi Railway Station, Senapati Bapat Marg, Prabhadevi, Mumbai Maharashtra- 400013 w.e.f. June 1, 2023
- Corporate address: 6<sup>th</sup> & 7<sup>th</sup> Floor, Birla Centurion, Pandurang Budhkar Marg, Worli, Mumbai 400030.
- E-mail: geetika.anand@adityabirla.com
- Telephone: +91 022 6947 7000/6947 7150
- Website: www.hindalco.com
- Financial year for which reporting is being done: 01-04-2022 to 31-03-2023
- Name of the Stock Exchange(s) where shares are listed: BSE Limited, National Stock Exchange of India Ltd. (NSE India), Luxembourg Stock Exchange (LuxSE) [Global Depository Receipts listing]
- Paid-up Capital: As on March 31, 2023: INR 2,247,194,585
- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: Geetika Anand (022 6947 7000/6947 7150, geetika.anand@adityabirla.com)
- 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).: Standalone

#### **Products/services**

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Aluminium	Our Indian aluminium operations are integrated and consist of bauxite mining, alumina refining, smelting and converting primary metal into value-added products. We have dedicated sources for critical raw materials such as bauxite, power and coal. Our finished products include alumina, primary aluminium in the form of ingots, billets and wire rods, and, value-added products such as rolled products, extrusions and foils. Metallurgical alumina is used for our own captive needs. Chemical alumina and hydrates are used in range of industries including water treatment, fillers in cables and plastics, refractories and ceramics, and glass among others.	46%
2	Copper	Hindalco produces LME grade copper cathodes, continuous cast copper rods in various sizes, and precious metals like gold and silver. Hindalco is one of the major manufacturers of 19.6mm diameter copper rods, which is used for railway electrification. The co-product, sulphuric acid, is partly utilised to produce phosphoric acid and fertilisers like di-ammonium phosphate (DAP).	54%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Aluminium	24202	46.00%
2	Copper	24201	54.00%

#### Operations

#### Operations

Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	21		21
International	0	-	-

#### 17. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	11
International (No. of Countries)	-

- What is the contribution of exports as a percentage of the total turnover of the entity?
- A brief on types of customers
  - The response to this guestion is provided in the Customer sub-section in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23

### **Employees**

#### Details as at the end of Financial Year:

Employees and workers (including differently abled):

S.	Particulars	Total(A)	Ма	le	Female		
No.			No. (B)	% (B / A)	No. (C)	% (C / A)	
		EMPLO	YEES				
1.	Permanent (D)	9,192	8,423	91.63%	769	8.37%	
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%	
3.	Total employees (D + E)	9,192	8,423	91.63%	769	8.37%	
		WORK	<u>(ERS</u>				
4.	Permanent (F)	13,474	13,395	99.41%	79	0.59%	
5.	Other than Permanent (G)	40,592	38,792	95.57%	1,800	4.43%	
6.	Total workers(F + G)	54,066	52,187	96.52%	1,879	3.48%	

## Differently abled Employees and workers:

S.	Particulars	Total (A)	Ma	le	Fem	ale
No			No. (B)	% (B / A)	No. (C)	% (C / A)
		DIFFERENTLY AB	LED EMPLOYEE	<u> </u>		
1.	Permanent (D)	10	10	100.00%	-	0.00%
2.	Other than Permanent (E)		_			
3.	Total differently abled employees (D + E)	10	10	100.00%	-	0.00%
		DIFFERENTLY AE	BLED WORKERS	<u></u>		
4.	Permanent (F)	20	17	85.00%	3	15.00%
5.	Other than permanent (G)	14	11	78.57%	3	21.43%
6.	Total differently abled workers (F + G)	34	28	82.35%	6	17.65%

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percent	age of Females
		No. (B)	% (B / A)
Board of Directors	11	2	18.18%
Key Management Personnel	3	1	33.33%

## 20. \_Turnover rate for permanent employees

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)		FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.80%	11.70%	7.21%	4.78%	7.89%	5.02%	4.80%	6.30%	4.90%
Permanent Workers	5.15%	72.15%	5.55%	4.54%	19.15%	4.63%	0.10%	7.20%	0.20%

## Holding, Subsidiary and Associate Companies (including joint ventures)

Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicated whether holding/Subsidiary/ Associate/Joint Venture	% shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No)
1	Utkal Alumina International Limited	Subsidiary	100.00%	Yes*
2	Minerals & Minerals Limited	Subsidiary	100.00%	No
3	AV Minerals (Netherlands) N.V.	Subsidiary	100.00%	No
4	Dahej Harbour & Infrastructure Limited	Subsidiary	100.00%	No

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicated whether holding/Subsidiary/ Associate/Joint Venture	% shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No)		
5	Hindalco Almex Aerospace Limited	Subsidiary	97.18%	No		
6	East Coast Bauxite Mining Company	Subsidiary	74.00%	No		
7	Renuka Investments & Finance Limited	Subsidiary	100.00%	No		
8	Renukeshwar Investments & Finance Limited	Subsidiary	100.00%	No		
9	Lucknow Finance Company Limited	Subsidiary	100.00%	No		
10	Suvas Holdings Limited	Subsidiary	74.00%	No		
11	Hindalco Jan Seva Trust	Subsidiary	100.00%	No		
12	Copper Jan Seva Trust	Subsidiary	100.00%	No		
13	Utkal Alumina Jan Seva Trust	Subsidiary	100.00%	No		
14	Utkal Alumina Social Welfare Foundation	Subsidiary	100.00%	No		
15	Kosala Livelihood and Social Foundation	Subsidiary	100.00%	No		
16	A V Metal Inc.	Subsidiary	100.00%	No		
17	Birla Copper Asoj Private Limited	Subsidiary	100.00%	Yes*		
18	Novelis Inc.	Subsidiary	100.00%	No		
19	Novelis do Brasil Ltda	Subsidiary	100.00%	No		
20	Brecha Energetica Ltda	Subsidiary	99.99%	No		
21	4260848 Canada Inc.	Subsidiary	100.00%	No		
22	4260856 Canada Inc.	Subsidiary	100.00%	No		
23	8018227 Canada Inc.	Subsidiary	100.00%	No		
24	Novelis (China) Aluminum Products Co. Ltd.	Subsidiary	100.00%	No		
25	Novelis (Shanghai) Aluminum Trading Company	Subsidiary	100.00%	No		
26	Novelis PAE S.A.S.	Subsidiary	100.00%	No		
27	Novelis Aluminum Beteiligungs GmbH	Subsidiary	100.00%	No		
28	Novelis Deutschland GmbH	Subsidiary	100.00%	No		
29	Novelis Sheet Ingot GmbH	Subsidiary	100.00%	No		
30	Novelis (India) Infotech Ltd.	Subsidiary	100.00%	No		
31	Novelis Aluminum Holding Unlimited Company	Subsidiary	100.00%	No		
32	Novelis Italia SpA	Subsidiary	100.00%	No		
33	Novelis de Mexico S.A. de C.V.	Subsidiary	100.00%	No		

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicated whether holding/Subsidiary/ Associate/Joint Venture	% shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No)		
34	Novelis Korea Limited	Subsidiary	100.00%	No		
35	Novelis AG	Subsidiary	100.00%	No		
36	Novelis Switzerland S.A.	Subsidiary	100.00%	No		
37	Novelis MEA Ltd.	Subsidiary	100.00%	No		
38	Novelis Europe Holdings Limited	Subsidiary	100.00%	No		
39	Novelis UK Ltd.	Subsidiary	100.00%	No		
40	Novelis Services Limited	Subsidiary	100.00%	No		
41	Novelis Corporation	Subsidiary	100.00%	No		
42	Novelis South America Holdings LLC	Subsidiary	100.00%	No		
43	Novelis Holdings Inc.	Subsidiary	100.00%	No		
44	Novelis Services (North America) Inc.	Subsidiary	100.00%	No		
45	Novelis Global Employment Organization, Inc	Subsidiary	100.00%	No		
46	Novelis Services (Europe) Inc.	Subsidiary	100.00%	No		
47	Novelis Vietnam Company	Subsidiary	100.00%	No		
48	Aleris Asia Pacific International (Barbados) Ltd.	Subsidiary	100.00%	No		
49	Novelis Aluminum (Zhenjiang) Co., Ltd	Subsidiary	100.00%	No		
50	Aleris (Shanghai) Trading Co., Ltd.	Subsidiary	100.00%	No		
51	Aleris Asia Pacific Limited	Subsidiary	100.00%	No		
52	Aleris Aluminum Japan, Ltd.	Subsidiary	100.00%	No		
53	Novelis Casthouse Germany GmbH	Subsidiary	100.00%	No		
54	Novelis Deutschland Holding GmbH	Subsidiary	100.00%	No		
55	Novelis Koblenz GmbH	Subsidiary	100.00%	No		
56	Novelis Netherlands B.V.	Subsidiary	100.00%	No		
57	Aleris Switzerland GmbH	Subsidiary	100.00%	No		
58	Aleris Aluminum UK Limited	Subsidiary	100.00%	No		
59	Aleris Holding Canada ULC	Subsidiary	100.00%	No		
60	Novelis ALR Aluminium Holdings Corporation	Subsidiary	100.00%	No		
61	Novelis ALR International Inc.	Subsidiary	100.00%	No		
62	Novelis ALR Rolled Products, LLC	Subsidiary	100.00%	No		

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicated whether holding/Subsidiary/ Associate/Joint Venture	% shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No)
63	Novelis ALR Rolled Products, Inc.	Subsidiary	100.00%	No
64	Novelis ALR Aluminium LLC	Subsidiary	100.00%	No
65	Novelis ALR Rolled Products Sales Corporation	Subsidiary	100.00%	No
66	Novelis ALR Recycling of Ohio	Subsidiary	100.00%	No
67	Novelis ALR Aluminum- Alabama LLC	Subsidiary	100.00%	No
68	Novelis ALR Asset Management Corporation	Subsidiary	100.00%	No
69	MNH Shakti Limited	Joint Venture	15.00%	No
70	Hydromine Global Minerals (GMBH) Limited	Joint Venture	45.00%	No
71	Aditya Birla Science & Technology Company Private Limited	Associate	49.00%	No
72	Aditya Birla Renewables Subsidiary Limited	Associate	26.00%	No
73	Aditya Birla Renewables Utkal Limited	Associate	26.00%	No
74	Aditya Birla Renewables Solar Limited	Associate	26.00%	No
75	Deutsche Aluminum Verpachung Recycling GMBH	Associate	30.00%	No
76	France Aluminum Recyclage SPA	Associate	20.00%	No
77	Novelis ventures LLC	Subsidiary	100.00%	No
78	Hindalco Kaubushiki Kaisha	Subsidiary	100.00%	No
79	White Rock USA protect Sell	Subsidiary	100.00%	No

<sup>\*</sup>The environmental and social parameters reported include Utkal Alumina International Ltd. and Birla Copper Asoj Private Limited

#### VI. CSR Details

- 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No): Yes** 
  - (ii) Turnover (in Rs.): 76,878 Cr.
  - (iii) Net worth (in Rs.): 58,489 Cr.

## VII. <u>Transparency and Disclosures Compliances</u>

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

Stakeholder group from	Grievance Redressal Mechanism in Place (Yes/No)		FY 202 Current Fina		FY 2021-22 Previous Financial Year			
whom complaint is received	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	
Communities	The details of the Grievance Redressal Mechanism is given Community Grievance Section in the Hindalco Integrated Annual Report FY 2022-23.	1,314	54	All complaints are addressed through our Grievance Redressal Mechanism	1,197	62	All complaints are addressed through our Grievance Redressal Mechanism	
Investors (other than shareholders)	The details of the Grievance Redressal Mechanism is given Corporate Governance section in the Hindalco Integrated Annual Report FY 2022-23.	7	7	Complaints relating to Transfers, Transmissions Dividend, Interest, Redemption, Demat – Remat, Rights Issue and Change of Address etc.	9	9	Complaints relating to Transfers, Transmissions Dividend, Interest, Redemption, Demat – Remat, Rights Issue and Change of Address etc.	
Shareholders	The details of the Grievance Redressal Mechanism is given Corporate Governance Section in the Hindalco Integrated Annual Report FY 2022-23.	0	0	Nil	0	0	NIL	
Employees and workers	The details of the Grievance Redressal Mechanism is given Human Rights Section in the Hindalco Integrated Annual Report FY 2022-23.	10	0	Hindalco has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.	6	8	Hindalco has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.	
Customers	The details of the Grievance Redressal Mechanism is given Customer Grievance Section in the Hindalco Integrated Annual Report FY 2022-23.	38	38	All complaints closed	44	44	All complaints closed	
Value Chain Partners	The details of the Grievance Redressal Mechanism is given Responsible Value Chain Section in the Hindalco Integrated Annual Report FY 2022-23.	0	NIL	NIL	0	0	NIL	
Other (please specify)	NIL	NIL	NIL	NIL	NIL	NIL		

## 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

S. 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 negativeimplications)
1	Energy and GHG Emissions Management	R	Coal is one of the primary sources of energy for the Indian operations. Being a continuous process industry, with process dependence on coal, it is difficult to replace coal with any alternate material in the near term.	We have been investing in renewable energy projects to run other operations such as townships. We are also evaluating the feasibility of other energy sources including increasing the use of biomass in power plants. We have also been working on carbon capture as well as energy storage.	Negative Implications
2	Waste and Hazardous Waste Management	R	Proper disposal of waste from operations is essential for protecting the environment, and safety. Some of the waste is stored in a secured area for which substantial land is required. Land availability is becoming difficult and storage of waste in ponds has its own risks as well. Need to adhere to evolving regulatory requirements within specified time frames	We have set up a year-on-year target of 5% for recycling and reusing generated waste, with the aim to achieve zero waste to landfill by 2050. Several initiatives are in the pipeline - such as utilising bauxite residue for backfilling and road building, and establishing long-term contracts with cement/road developers. These initiatives are being monitored on a regular basis.	Negative Implications
	Water Management	R	Natural resource depletion is a risk all over the world. This can eventually impact our immediate environment and operations. Our business depends on coal supply, bauxite, copper concentrate, water etc. Four of our plants are in water-stress areas	We have planned several initiatives for water recycling and rainwater harvesting at various plants. Our aim is to achieve zero liquid discharge and water positivity across mining and downstream verticals by 2025	Negative Implications
	Air Emissions	R	Our non-GHG air emissions result from both fuel combustion and production processes. Our aluminium smelting process contributes to fluoride emissions while the burning of fossil fuels contributes to Oxides of Sulphur (SOx), Oxides of Nitrogen (NOx) and Particulate Matter (PM).	We are taking up several projects to minimise emissions from our operations. We are installing pilot Flue Gas Desulphurisation (FGD) units at Mahan, Aditya, and Renusagar.	Negative Implications
	Biodiversity	R	Our operations depend on coal and bauxite mines. Further, many of our locations are situated near areas of high biodiversity. Proper management of biodiversity around our operations is critical for continued operations at our locations	We are taking up several initiatives towards conservation of biodiversity, including development of biodiversity management plans.	Negative Implications
	Occupational Health and Safety	R	Health and safety is of utmost importance. However, we face injuries due to safety related risks in our manufacturing processes.	We have implemented 'Serious Injuries and Fatality (SIF) prevention programme', a unique initiative in Indian manufacturing which standardises contractor safety management processes across Hindalco. Additionally, we are incorporating digitalisation to reduce human intervention.	Negative Implications
	Community Relations	0	To actively contribute to the social and economic development of underserved communities, lifting the burden of poverty, and helping bring in inclusive growth in sync with the UN Sustainable Development Goals. In doing so, we are building a better, sustainable way of life for the weaker sections of society and raising the country's Human Development Index. In line with our Group's CSR vision, Hindalco has adopted socially responsible practices where these SDGs are enumerated through the five focus areas of education, health care, sustainable livelihood, social empowerment, and infrastructure development. We were able to positively impact 2 million+ lives through our community development programme.	NA	Positive Implications

S. 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 negativeimplications)
8	Economic Performance	0	We have been able to achieve our deleveraging target well ahead of time leading to a strong balance sheet. This has resulted in increased trust between the shareholders and lenders. We have a robust approach to the capital allocation framework. Further, our focus has been on maximising shareholder return by directing our growth capex towards value-added downstream expansion projects.	NA	Positive Implications
9	Compliance Management	R	In the metals and mining industry, regulations play an important role in shaping the business. Frequent regulatory changes give rise to uncertainty in the surrounding environment. Our value chain is highly dependent on the resources available with the government	We continuously engage with Government agencies and work on policy advocacy at various levels. We also actively participate in industry associations activities. This helps us in proactively engaging with the government and prepare us for any regulatory changes.	Negative Implications
10	Market Presence	0	Increased demand for aluminium in various sectors gives Hindalco an opportunity to expand its market presence.	NA	Positive Implications
11	Supply Chain Transformation	0	Sustainable supply chain initiatives, effective use of natural resources, decarbonisation, ethical sourcing, and fair trade will enable risk reduction, increased innovation, and even stronger returns on investment.	NA	Positive Implications

## 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								

Disclosure	P1	P2	P3	P4	P5	P6	P7	P8	P9
Questions									
c. Web Link of the Policies, if available	Code of Conduct for BODs & SMP, Hindalco Corporate Principles & Code of Conduct and Hindalco Supplier Code of Conduct. The web link to the policies is given here https://www. hindalco.com/ Investor-cen- tre/Policies	Sustainability policy and Environmnetal Policy. The web link to the policies is given here https://www.hindalco.com/Investor-centre/Policies	Safety and Occupational Health Policy. The web link to the policies is given here https://www. hindalco.com/ investorcentre/ policies	Corporate Social Responsibility Policy. The web link to the policies is given https://www. hindalco.com/ Investor-centre/ Policies	Human Rights Policy. The web link to the policies is given https://www. hindalco.com/ Investor-centre/ Policies	Environment Policy. The web link to the policies is given https://www. hindalco.com/ Investor-centre/ Policies	Code of Conduct for BODs & SMP, Hindalco Corporate Principles & Code of Conduct and Hindalco Supplier Code of Conduct. The web link to the policies is given here https://www.hindalco.com/ Investor-centre/ Policies	Corporate Social Responsibility Policy and Rehabilitation, Resettlement and Protection of Indigenious People Policy. The web link to the policies is given here https://www. hindalco.com/ Investor-centre/ Policies	Code of Conduct for BODs & SMP, Hindalco Corporate Principles & Code of Conduct and Hindalco Supplier Code of Conduct. The web link to the policies is given here https://www.hindalco.com/Investor-centre/Policies
2. Whether the entity has translated the policy into procedures. Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
B. Do the enlisted policies extend to your value chain partners? Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by yourentity and mapped to each principle.	Details in the Driving Operational Excellence section of the Integrated Annual Report FY 2022-23	Details in the Driving Operational Excellence section of the Integrated Annual Report FY 2022-23	Details in the Driving Operational Excellence section of the Integrated Annual Report FY 2022-23	Details in the Driving Operational Excellence section of the Integrated Annual Report FY 2022-23	Details in the Driving Operational Excellence section of the Integrated Annual Report FY 2022-23	Details in the Driving Operational Excellence section of the Integrated Annual Report FY 2022-23	Details in the Driving Operational Excellence section of the Integrated Annual Report FY 2022-23	Details in the Driving Operational Excellence section of the Integrated Annual Report FY 2022-23	Details in the Driving Operational Excellence section of the Integrated Annual Report FY 2022-23

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targetsset by the entity with defined timelines, if any.	NA	NA	The targets against the principle are provided in the Occupation Health & Safety sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23	NA NA	The targets against the principle are provided in the Human Capital section of the Integrated Annual Report FY 2022-23.	The targets against the principle are provided in the Natural Capital section of the Integrated Annual Report FY 2022-23.	NA	NA	NA NA
6. Performance of the entity against the specific commitments, goals and targets alongwith reasons in case the same arenot met.	NA	NA	The performance against the targets is given in the Human Capital section of Hindalco Integrated Annual Report FY 2022-23.	NA	The performance against the targets is given in the Human Capital section of Hindalco Integrated Annual Report FY 2022-23.	The performance against the targets is given in the Natural Capital section of Hindalco Integrated Annual Report FY 2022-23.	NA	NA	NA

#### Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):

The statement by the director responsible for business responsibility report is given in Message from the Managing Director in Hindalco Integrated Annual Report FY 2022-23

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

The Risk Management & Environment Social and Governance (ESG) Committee of the Board is responsible for the implementation and oversight of the Business Responsibility policies.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making onsustainability related issues? (Yes / No). If yes, provide details.

The Risk Management & Environment Social and Governance (ESG) Committee is responsible for decision making on sustainability related issues. The details of the same are given in Environment Management sub-section of the Natural Capital section of the Hindalco Integrated Annual Report FY 2022-23.

### 10. Details of Review of NGRBCs by the Company:

Subject for Review Indic		dicate whe	ther revie		aken by Directo er Committee	or / Comr	nittee of t	he Board	/Any	Fred	quency (A	nnually/	Half year	rly/ Quart	erly/ Any	other –	please sp	ecify)
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action		Committ	ee of the	Board	Any other Committee				Quarterly									
Compliance with statutory requirement of relevance to the principles, and, rectification of anynon-compliances		Director		Committee of the Board	Director		nittee of Board	Dire	ector	Quarterly								

11.	Has the entity carried out independent assessment/ evaluation of the	P1	P2	P3	P4	P5	P6	P7	P8	Р9
	working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes,	Yes BSI	Yes BSI	Yes,	Yes	Yes BSI	Yes	Yes	Yes BSI
	marile of the agency.	Secretarial			Secretarial	Factory		Secretarial	Secretarial	
		auditor			Auditor	Inspector		Auditor	auditor	

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not applicable

Questions	P1	P2	P3	P4	P 5	P6	P7	P8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not applicable								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

### SECTION C: PRINCIPLE WISE PERFORMANCE

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

### **Essential Indicators**

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

The response to this question is provided in the Human Capital Development sub-section of the Human Capital section of the Integrated Report FY 2022-23

- P1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
- P2: Businesses should provide goods and services in a manner that is sustainable and safe
- P3: Businesses should respect and promote the well-being of all employees, including those in their value chains
- P4: Businesses should respect the interests of and be responsive to all its stakeholders
- P5: Businesses should respect and promote human rights
- P6: Businesses should respect and make efforts to protect and restore the environment
- P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- P8: Businesses should promote inclusive growth and equitable development
- P9: Businesses should engage with and provide value to their consumers in a responsible manner

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, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary							
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Amount (In₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)			
Penalty/Fine	0	NIL	0	NIL	NIL			
Settlement	0	NIL	0	NIL	NIL			
Compounding Fee	0	NIL	0	NIL	NIL			
		Non-Moneta	ry					
	NGRBC Name of regulatory/ Principle enforcement agencies/ judicial institutions		Brief of the case	Has an Appeal been preferred (Yes/No)				
Imprisonment	0	0	0	0	0			
Punishment	0	0	0	0	0			

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

Our Code of Conduct provides guidelines towards anti-corruption and anti-bribery practices. The code of conduct is available at:

https://www.hindalco.com/upload/pdf/hindalco-code-conduct.pdf

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

Nil

6. Details of complaints with regard to conflict of interest:

Ni

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 conflicts of interest.
None

### **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	of business done with such partners) under the
		awareness programmes

The response to this question has been covered in the Supplier Evaluation and Risk Assessment- Social and Relationship Capital Section of the Integrated Annual Report FY 2022-23

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.

The response to this question has been covered in the Code of conduct of the Board of Directors section of the Integrated Annual Report FY 2022-23.

### PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

#### **Essential Indicators**

Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental
and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

The response to this question has been covered in the Intellectual Capital section and the Environment Management sub-section of the Natural Capital section of the Integrated Annual Report FY 2022-23.

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

'es

The response to this question has been covered in the Responsible Sourcing sub-section of the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

- b. If yes, what percentage of inputs were sourced sustainably? 100%
- 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.

The response to this question has been covered in the Embedding Circularity and Waste Management sub-section of the Natural Capital section of the Integrated Annual Report FY 2022-23.

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.

The response to this question has been covered in the Non-Hazardous Waste in Waste Management sub-section of the Natural Capital section of the Integrated Annual Report FY 2022-23.

### **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?

The details of our approach towards LCA is reported in the Innovate to improve: Optimising our Processes sub-section of the Intellectual Capital section of the Integrated Annual Report FY 2022-23.

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.

The details of our approach towards LCA is reported in the Innovate to improve: Optimising our Processes sub-section of the Intellectual Capital section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Waste Management sub-section of the - Natural Capital section of the Integrated Annual Report FY 2022-23.

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:

The response to this question has been covered in the Waste Management sub-section of Natural Capital section in the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Waste Management sub-section of Natural Capital section in the Integrated Annual Report FY 2022-23

#### PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chain

a. Details of measures for the well-being of employees:

The response to this question has been covered in the Employee Wellbeing and Human Rights sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

Details of measures for the well-being of workers:

The response to this question has been covered in the Employee Wellbeing and Human Rights sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Employee Wellbeing and Human Rights sub-section of the Human Capital Section of the Integrated Annual Report FY 2022-23.

3. Accessibility of workplaces

Are the premises / offices of the entity 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 entity in this regard.

The response to this question has been covered in the Diversity, Equity and Inclusion sub-section of the Human Capital Section of the Integrated Annual Report FY 2022-23.

Does the entity 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 response to this question has been covered in the Human Rights Policy- Code of conduct sub-section of Human Capital section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Employee well-being and Human Rights sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

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.

The response to this question has been covered in the of the Human Rights sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Human rights sub-section of the Human Capital Section of the Integrated Annual Report FY 2022-23.

8. Details of training given to employees and workers:

The response to this question has been covered in the Human capital development, Safety and Training sub-sections of the Human Capital section of the Integrated Annual Report FY 2022-23.

P. Details of performance and career development reviews of employees and worker:

The response to this question has been covered in the Performance evaluation sub-section of the Human Capital Section of the Integrated Annual Report FY 2022-23.

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.

The response to this question has been covered in the Occupational Health and Safety sub-section of Human Capital section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Hazard Identification and Risk Assessment and Occupational Health and Safety sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

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

Ye

The response to this question has been covered in the Occupational Health and Safety sub-section of the Human Capital Section of the Integrated Annual Report FY 2022-23.

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

Yes

The response to this question has been covered in the Occupational Health Services sub-section of the Human Capital Section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Occupational Health and Safety sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

### Describe the measures taken by the entity to ensure a safe and healthy work place.

The response to this question has been covered in the Occupational Health and Safety sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Occupational Health and Safety sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

### 14. Assessments for the year:

The response to this question has been covered in the Occupational Health and Safety sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

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.

The response to this question has been covered in the Occupational Health and Safety sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

### **Leadership Indicators**

(B) Workers:

Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees: Yes

Life insurance coverage provided. Benefits on case-to-case basis and as per applicable local law

Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The response to this question has been covered in Supplier Assessment Process sub-section of the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

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

We provide livelihood assistance on case-to-case basis.

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.

The response to this guestion has been covered in the Employee wellbeing sub-section of the Human Capital section of the Integrated Annual Report FY 2022-23.

Details on assessment of value chain partners:

The response to this question has been covered in the Supplier Evaluation and Risk Assessment sub-section of the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

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 response to this question has been covered in the Supplier Evaluation and Risk Assessment sub-section of the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

### PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

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

The response to this guestion has been covered in the Stakeholder Engagement and Materiality Assessment section of the Integrated Annual Report FY 2022-23.

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

The response to this guestion has been covered in the Stakeholder Engagement and Materiality Assessment section of the Integrated Annual Report FY 2022-23.

### **Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The response to this question has been covered in the Stakeholder Engagement and Materiality Assessment section of the Integrated Annual Report FY 2022-23.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The response to this question has been covered in the Stakeholder Engagement and Materiality Assessment section of the Integrated Annual Report FY 2022-23.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The response to this question has been covered in our CSR Strategy sub-section of the Social and Relationship Capital Section of the Integrated Annual Report FY 2022-23.

### PRINCIPLE 5: Businesses should respect and promote human rights

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

The response to this question has been covered in the Learning and Development sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Human Rights sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

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

The response to this question has been covered in the Human Rights sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

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, the response to this question has been covered in the Occupational Health and Safety sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

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

The response to this question has been covered in the Human Rights sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

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

The response to this question has been covered in the Human Rights sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

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

The response to this question is covered under our Prevention of Sexual Harassment at Workplace policy. The link to the policy is attached herewith <a href="https://www.hindalco.com/upload/pdf/hindalco-posh-policy.pdf">https://www.hindalco.com/upload/pdf/hindalco-posh-policy.pdf</a>

8. Do human rights requirements form part of your business agreements and contracts?

Yes, The response to this question has been covered in the Human Rights sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

9. Assessments for the year:

100%, The response to this question has been covered in the Human Rights sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

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

The response to this question has been covered in the Human Rights sub-section of Human Capital section of the Integrated Annual Report FY 2022-23

### Leadership Indicators

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

The response to this question has been covered in the Human Rights sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

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

The response to this question has been covered in the Human Rights sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

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?

Yes, the response to this question has been covered in the Human Rights sub-section of Human Capital Section of the Integrated Annual Report FY 2022-23

4. Details on assessment of value chain partners:

The response to this question has been covered in the Supplier Assessment Process and Supplier Evaluation and Risk Assessment sub-section of Social and Relationship Capital section of the Integrated Annual Report FY 2022-23

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

The response to this question has been covered in the Supplier Assessment Process and Supplier Evaluation and Risk Assessment sub-section of Social and Relationship Capital section of the Integrated Annual Report FY 2022-23

PRINCIPLE 6: Businesses 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:

The response to this question has been covered in the Energy Management sub-section of Natural Capital Section of the Integrated Annual Report FY 2022-23.

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.

Yes, Ernst and Young Associates LLP was engaged by the Company to provide an independent assurance for FY 2022-23

2. Does the entity 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.

The response to this question has been covered in the Energy Management sub-section of Natural Capital Section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Water Management sub-section of Natural Capital Section of the Integrated Annual Report FY 2022-23.

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.

Yes, Ernst and Young Associates LLP was engaged by the Company to provide an independent assurance for FY 2022-23.

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

The response to this question has been covered in the Water Management sub-section of Natural Capital Section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Emissions Management sub-section of Natural Capital Section of the Integrated Annual Report FY 2022-23.

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.

Yes, Ernst and Young Associates LLP was engaged by the Company to provide an independent assurance for FY 2022-23.

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

The response to this question has been covered in the Emissions Management sub-section of Natural Capital section of the Integrated Annual Report FY 2022-23.

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.

Yes, Ernst and Young Associates LLP was engaged by the Company to provide an independent assurance for FY 2022-23

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

The response to this question has been covered in the Emissions Management sub-section of Natural Capital section of the Integrated Annual Report FY 2022-23.

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

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The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23.

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.

Yes, Ernst and Young Associates LLP was engaged by the Company to provide an independent assurance for FY 2022-23

Briefly describe the waste management practices adopted in your establishments. 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 response to this question has been covered in the Waste Management sub-section of the Natural Capital section of the Integrated Annual Report FY 2022-23.

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 response to this question has been covered in the Environmental Management sub-section of the Natural Capital section of the Integrated Annual Report FY 2022-23.

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	NIL	NIL	NIL	NIL	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:

The response to this question has been covered in our Environment Management sub-section of the Natural Capital section in the Integrated Report. The link for the policy is attached herewith <a href="https://www.hindalco.com/upload/pdf/hindalco-environment-policy.pdf">https://www.hindalco.com/upload/pdf/hindalco-environment-policy.pdf</a>

### **Leadership Indicators**

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

The response to this question has been covered in the Energy Management sub-section of Natural Capital section of the Integrated Annual Report FY 2022-23

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.

Yes, Ernst and Young Associates LLP was engaged by the Company to provide an independent assurance for FY 2022-23.

2. Provide the following details related to water discharged.

The response to this question has been covered in the Water Management sub-section of Natural Capital section of the Integrated Annual Report FY 2022-23

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.

Yes, Ernst and Young Associates LLP was engaged by the Company to provide an independent assurance for FY 2022-23.

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

The response to this question has been covered in the Water Management sub-section of Natural Capital section of the Integrated Annual Report FY 2022-23

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.

Yes, Ernst and Young Associates LLP was engaged by the Company to provide an independent assurance for FY 2022-23

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

The response to this question has been covered in the Emissions Management sub-section of Natural Capital section of the Integrated Annual Report FY 2022-23

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.

Yes, Ernst and Young Associates LLP was engaged by the Company to provide an independent assurance for FY 2022-23.

5. With respect to the ecologically sensitive areas reported at 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.

The response to this question has been covered in the Sustainable Mining & Conserving and Preserving Biodiversity subsection of Natural Capital section of the Integrated Annual Report FY 2022-23

6. If the entity has undertaken 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:

The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Risks and Opportunities section of the Integrated Annual Report FY 2022-23.

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 response to this question has been covered in the Supplier Assessment Process sub-section of Social and Relationship Capital Section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Supplier Assessment Process sub-section of Social and Relationship Capital Section of the Integrated Annual Report FY 2022-23.

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

- 1. a. Number of affiliations with trade and industry chambers/ associations.
  - b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

The response to this question has been covered in the Our key associations sub-section in the Social & Relationship Capital section of the Integrated Annual Report FY 2022-23.

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

None. The response to this question has been covered in the Policy Advocacy sub-section of the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

### Leadership Indicators

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

The response to this question has been covered in the Policy Advocacy sub-section of the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

### PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

#### **Essential Indicators**

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

The response to this question has been covered in the Investing in our Communities sub-section of Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

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

Name of project	State	District	No. of Project	% of PAFs	Amounts No. paid
for which R&R in			Affected Families	covered by R&R	to PAFs in the FY
ongoing			(PAF)		(in ₹)

The response to this question has been covered in the Investing in our Communities sub-section of Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Community Grievance Mechanism sub-section of the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

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

The response to this question has been covered in the Responsible Sourcing sub-section of the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

### **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):

NIL

Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

(b) From which marginalized /vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

N

 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					
	NA								

 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
	NA	

### 6. Details of beneficiaries of CSR Projects

The response to this question has been covered in the Investing in the Communities sub-section of the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

### 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 response to this question has been covered in the Customer Satisfaction sub-section of Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

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	NA
Safe and responsible usage	Recycling and/or safe disposal

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

NA

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

<u> </u>		
	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

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

We have an Information Security Policy

Weblink: hindalco.com/upload/pdf/information-security-policy.pdf

 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 entity can be accessed (provide web link, if available).

https://www.hindalco.com/

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

NΑ

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

IΑ

I. 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.

The response to this question has been covered in the Customer Satisfaction sub-section of Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

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 a whole? (Yes/No)

The response to this question has been covered in the Customer Satisfaction sub-section of Social and Relationship Capital section of the Integrated Annual Report FY 2022-23.

- 5. Provide the following information relating to data breaches:
  - a. Number of instances of data breaches along-with impact

The response to this question has been covered in the Innovate to Excel sub-section of Intellectual Capital section of the Integrated Annual Report FY 2022-23.

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

NIL.

# Governmen

Governance philosophy

# Governance philosophy

Aditya Birla Group ("Group") is committed towards the adoption of the best Corporate Governance practices and its adherence in true spirit, at all times.

As a part of the Group, at Hindalco Industries Limited ("Your Company/Hindalco") we feel proud to belong to a Group whose visionary founders laid the foundation stone for good governance and sustainable businesses long back and made it an integral principle of the business.

# By the Board of Directors ("Board")

Hindalco has delivered resilient financial and operational consolidated performance in FY 2022-23, in a challenging business environment. Our strong leadership position across key businesses has come on the back of bold but calibrated long-term bets. Given the inherent strengths of your Company, we are on a path to advance from manufacturing company to a manufacturing solutions provider by moving further down the value chain.

# Roard

Board statement

Focus of the Board

# Priorities and delivery of the Board

The focus of the Board in FY 2022-23 has been to drive the Company's vision for *Sustainability*- with strong commitment towards achieving carbon neutrality, water positivity, no net loss on biodiversity and zero waste to landfill by 2050 and *Safety*- to ensure a completely safe environment for our employees and workers. The Board has been highly engaged in supporting the Leadership Team and wider management in these objective. In the meetings, the Board reviewed and discussed the direction and strategies for organic expansions downstream investments and overall strategies in respect of financial plan, research and development, and sustainability. In addition, the Board was also pleased to be able to go digital for its meetings in line with the Sustainability vision.

The purpose of this Report is to update you on developments within Hindalco's corporate governance in the last year. We explain how we, have taken decisions, underlined by high corporate governance standards.



### **Board composition:**

The Board is at the core of the corporate governance system of the Company. The Board is committed towards compliance of sound principles of corporate governance and plays a crucial role in overseeing how the management serves the short and long-term interests of the members and other stakeholders. The Board worked collaboratively, provided support and guidance and constructively challenged the management when necessary.

Your Company's Board comprises of 11 Directors as on March 31, 2023, with considerable experience in their respective fields. Of these, 6 Directors are Independent (includes 1 woman director), 3 Directors are Non-Executive and 2 Directors are Executive Directors.

None of the Directors on the Board is a Member of more than 10 Committees or a Chairman of more than 5 Committees (as specified in Regulation 26 of Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations" across all the Companies in which they hold Directorships. Further, none of the Non-Executive Directors serve as Independent Directors in more than 7 listed companies and none of the Executive or Whole-time Directors serve as Independent Directors on any listed Company. The same is within permissible limits as provided by the Companies Act, 2013 and Listing Regulations. Brief profile of the Board of Directors of the Company is provided separately in the 'Corporate Overview' Section of this Integrated Annual Report.

## Diversity, Skills and Experience:

The current Board have Directors with diverse range of skills, experience and attributes. Your Company recognises the benefit of having a diverse board. An extract of the skills matrix showing the selection of current skills and experience of Directors is shown below:

Detailed profile of Directors along with skills/expertise / competencies as required under Schedule V of Listing Regulations is provided separately in Corporate Overview Section of Annual Report.

### **Board induction, training and Familiarisation:**

In terms of the provisions of Regulation 25 of the Listing Regulations, your Company has framed a Familiarisation Programme for Independent Directors of the Company, structured into two parts i.e. 'Induction' and 'Ongoing interaction'. This Programme aims to provide insights into the business of the Company, to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, its business in depth and contribute significantly to the Company.

By way of an introduction/ induction to the Company, presentations are also made to the newly appointed Independent Director (including Non-Executive Directors) on relevant information such as overview of the Company's business, offerings, market and business environment, growth and performance, organisational set up of the Company, governance and internal control processes.

Further, on an ongoing basis as a part of the agenda of meetings of the Board/ Committee(s), presentations are regularly made to the Independent Directors on various matters inter alia covering the Company's businesses and operations, strategy, risk management framework, industry and regulatory updates and other relevant matters. These presentations enable one-on-one interaction between the Independent Directors and the senior management of the Company/ statutory auditor/ internal auditor of the Company. The details of the 'Familiarisation Programmes for Independent Directors' are also available on www.hindalco.com

### **Board Evaluation:**

The Board carries out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees as mandated under the Act and the Listing Regulations. The performance evaluation of Non-Independent Directors and the Board as



a whole is carried out by the Independent Directors. The performance of the Chairman of the Board is also reviewed, taking into account the views of the Executive, Non-Executive and Independent Directors. The evaluation is based on criteria which includes, among others, attendance and preparedness for the meetings, participation in deliberations, understanding your Company's business and that of the industry and guiding your Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in Schedule IV of the Act.

Structured questionnaires are circulated to the Directors for providing feedback on functioning of the Board, Committees and the Chairman of the Board. Based on the inputs received, action plans are drawn up in consultation with the Directors to encourage greater participation and deliberations at the meetings and bringing to the table their experience and guidance in further improving the performance of your Company.

### A brief summary of the evaluation exercise:

The Board as a whole functions cohesively. The Committees function well in their respective areas, and the recommendations of the Committees are considered and have been accepted by the Board. The Directors bring to the table their knowledge and experience. Independent Directors are rated high in understanding your Company's business and expressing their views freely during deliberations. The Non-Executive Directors score well in all aspects. Executive Directors are action-oriented and good in implementing Board decisions. The Chairman leads the Board effectively and encourages active participation and contribution from all the Board members.

### **Meetings: Board & Shareholders**

			Board A	ttendance <sup>1</sup>					
			No. o	f Board Mee	etings				
Director	AGM on Aug 23,	1	2	3	4	5	Held during the	Attended	%
	2022	May 26, 2022	Jul 22, 2022	Aug 10, 2022	Nov 11, 2022	Feb 9, 2023	tenure		
Mr. Kumar Mangalam Birla	<b>\$</b>	*	*	<b>*</b>	<b>₹</b>	<b>\$</b>	5	3	60
Mrs. Rajashree Birla	£	£	£	£	*	£	5	4	80
Ms. Alka Bharucha	4	£	8	*	£	£	5	4	80
Mr. Anant Maheshwari	<b>\$</b>	*	*	*	*	<b>\$</b>	5	5	100
Mr. Askaran Agarwala	<b>\$</b>	*	*	*	*	*	5	4	80
Mr. Kailash Nath Bhandari	<b>\$</b>	*	*	*	*	<b>\$</b>	5	5	100
Mr. Praveen Kumar Maheshwari	<b>\$</b>	*	*	*	*	<b>\$</b>	5	5	100
Mr. Satish Pai	<b>\$</b>	*	*	*	*	<b>\$</b>	5	5	100
Mr. Sudhir Mital	<b>\$</b>	*	*	*	*	<b>\$</b>	5	5	100
Mr. Vikas Balia	<b>\$</b>	*	*	*	*	<b>\$</b>	5	5	100
Mr. Yazdi Dandiwala	<b>\$</b>	*	*	*	*	<b>\$</b>	5	5	100
% of attendance	100	91	91	91	91	91			

<sup>\*</sup> Leave of absence

# Information provided to the Board/Committees:

Following information is provided to the Board (including Committees thereof), adequately in advance, of its Meetings/ consideration (in case of Circular Resolutions), as per regulatory timelines, to enable them to take well informed decisions:

- a) The notice and detailed agenda along with relevant explanatory notes;
- b) Material information, to the extent applicable and relevant, as prescribed under:
  - The Companies Act, 2013;
  - Secretarial Standard 1 on Meetings of the Board of Directors ("SS-1");
- Securities and Exchange Board of India ("SEBI") Laws, more particularly, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Issue of Capital and Disclosure Requirements, Prohibition of Insider Trading Regulations and SEBI Circulars issued, from time to time and
- Other applicable laws.
- Presentations on various functional and operational areas of the Company and other business development activities as well as on major projects, financial highlights,

Any information which involves unpublished price sensitive information and in exceptional cases, certain additional

matters are tabled at the meeting with the approval of the Chairman and the Board, more particularly the Independent Directors. An approval from the Board for circulating such information at a shorter notice is obtained every year, in terms of SS-1.

### Mode:

The Board meets at regular intervals as per the pre-scheduled Calendar to discuss and decide on strategies, policies and reviews the financial performance of the Company, in person or through the Video-conferencing facility (to enable the directors travelling abroad or present at other locations to be able participate in the meetings). Such meetings, if conducted physically, are convened generally at the Registered Office/ Corporate office of the Company / Group.

### Key Decisions of the Board in FY 23:

### (i) Strategy and Business plan:

In line with the growth strategy of organic expansions, the Board focused on the review of investments in downstream value-added products and capex which is to be spread over next five years in the businesses of Aluminium, Copper, Specialty Alumina and Resource

Securitisation through new commercial coal mines between FY23 and FY28.

### Sustainability:

As per Hindalco's roadmap to achieve net carbon neutrality by 2050, the Company has already installed 100 MW of renewable energy capacity, with plans to scale it up to 300 MW by 2025.

### Financial Decisions:

The Board reviewed the Capital allocation policy, wherein till FY 2021-22, the capital allocation policy framework stated that 75% of operating cash flow be spent for capex; around 15% be reserved for debt reduction. The balance was to be distributed to the shareholders. The Board noted that given the comfortable debt position, internal accruals would be deployed towards the next phase of organic growth. As a result, our capital allocation would be majorly used for growth capex and dividend distribution to shareholders.

In line with the same, in FY 2022-23, the board has recommended a healthy dividend of ₹ 3 per equity share (i.e. 300% of the face value of ₹ 1 each) subject to the approval of shareholders of the Company.

# Directorship and Shareholding of Directors as on March 31, 2023

Category	Name of the Director	At Hir	ndalco		In other companies	
					Directorships	Committees <sup>(2)</sup>
		Tenure (in ~ yrs)	Shareholding	Total <sup>(1)</sup>	In listed entities	
Non-	Mr. Kumar Mangalam Birla (4)	30.4	9,01,635	7	As NED (3)	-
Independent Non-Executive					1. Aditya Birla Capital Limited	
Promoter					2. Century Textiles and Industries Limited	
					3. Grasim Industries Limited	
					4. UltraTech Cement Limited	
					5. Aditya Birla Fashion & Retail Limited	
	_				6. Aditya Birla Sun LifeAMC Limited	
Non-	Mrs. Rajashree Birla (4)	27	6,12,470	5	As NED (3)	-
Independent Non-Executive					1. Grasim Industries Limited	
					2. UltraTech Cement Limited	
					3. Pilani Investment and Industries Corporation Limited	
					4. Century Textiles and Industries Limited	
					5. Century Enka Limited	
	Mr. Askaran Agarwala	24.6	97,648	2	-	-

<sup>&</sup>lt;sup>1</sup> Attendance of the Board is in Compliance with the requirements of the Companies Act, 2013.

Category	Name of the Director	At Hir	ndalco		In other companies	
					Directorships	Committees(2)
		Tenure (in ~ yrs)	Shareholding	Total <sup>(1)</sup>	In listed entities	
	Mr. Kailash Nath Bhandari	8.7	5,071	7	As ID.(3)	
					Saurashtra Cement Limited	6M (Including
					Shrishti Infrastructure Development Corporation Limited	1C)
					3. Venus Pipes & Tubes Limited	
	Mr. Yazdi Dandiwala	7.7	267	5	As ID (3)	
					1. Century Textiles and Industries Limited;	5M (Including
					2. Grasim Industries Limited;	1C)
					Pilani Investment and Industries     Corporation Limited	
Independent	Ms. Alka Bharucha	4.8	-	8	As ID (3)	
Non-Executive					UltraTech Cement Limited	10M (Including
					2. Orient Electric Limited	4C)
					3. Honda India Power Products Limited	
					4. Birlasoft Limited	
					5. Aditya Birla Sun Life AMC Limited	
	Dr. Vikas Balia	3.8	325	2	-	3 M (Including 2C)
	Mr. Sudhir Mital	3.4	-	2	As ID (3)	
					1. Jaiprakash Power Ventures Limited	-
					2. Welspun Enterprises Limited	
	Mr. Anant Maheshwari	2.7	-			-
Executive	Mr. Satish Pai	9.7	10,33,767			-
	Mr. Praveen Kumar Maheshwari	6.10	-	1	-	-

- (1) Computed basis directorships in all public limited companies (including deemed public company), whether listed or not; and excludes this Company, foreign companies, private limited companies and Section 8 companies.
- (2) in Audit Committee & Stakeholders Relationship Committee of other public limited companies (including deemed public).
- (3) NED: Non-Executive Director; ID: Independent Director; M: Member; C: Chairperson
- (4) No Director is related to any other Director on the Board, except Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son and mother respectively and are part of promoter and promoter group.
- (5) The average tenure of the Board is 11.70 years.

Basis the disclosures received from the Directors as on March 31, 2023, it is confirmed that none of the directors:

- (a) is on the Board of more than:
  - i. 20 (twenty) companies;
  - ii. 10 (ten) public limited companies;
  - iii. 7 (seven) listed entities;
- (b) is a member in more than 10 (ten) Audit and/or Stakeholders Relationship Committees, across all public limited companies (including deemed public);
- c) is a Chairperson of more than 5 (five) Audit and/or Stakeholders Relationship Committees across all public limited companies (including deemed public) and have any inter-se relationship with the Board members.

### Appointment, Tenure and Remuneration

All the Directors of the Company are appointed/re-appointed by the Shareholders on the basis of recommendations of the Nomination and Remuneration Committee and Board. The Director/(s) are appointed individually. Details of Directors

seeking re-appointment at the ensuing Annual General • Meeting "AGM" is provided in the Notice of AGM.

### **Executive Directors:**

The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of their contract of service with the Company. Either party may terminate their employment by giving three months' notice.

### Non-Executive Directors (other than Independent Directors):

As per the Articles of Association of the Company, at least two-third of the Board members shall be retiring Directors, excluding Independent Directors. One-third of such Directors are required to retire every year and if eligible, the retiring Directors qualify for re-appointment.

### **Independent Directors:**

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision-making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance.

All Independent Directors on the Board are Non-Executive Directors as defined under Regulation 16 of the Listing Regulations. Independent Directors hold office for upto two terms of five years each. As regards the appointment and tenure of the Independent Directors, the Company has complied with the provisions of the Act and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

Further, in opinion of the Board, the Independent Directors fulfil the conditions specified in Regulation 16 and 25 of the SEBI Listing Regulations and are independent of the management.

The Independent Directors on the Board of your Company are experienced, competent and highly respected individuals in their respective fields, which brings an ideal mixture of expertise, professionalism, knowledge and experience to the table.

• Databank Registration:

Further, pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the Independent Directors in this regard.

• Separate Meeting of Independent Directors:

Pursuant to Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, the Independent Directors met once during the year i.e. on May 13, 2022, without the presence of Non-Independent Directors, Executive Directors or management representatives. The Independent Directors inter alia discussed the performance of the Board, Non-Independent Directors and the management of the Company and assessed the quality, quantity and timeliness of flow of necessary information between the management and the Board, required for the Board to effectively and reasonably perform its duties.

Evaluation criteria for Independent Directors

The performance of the Independent Directors of the Company is evaluated on the criteria more particularly as to how an Independent Director:

- invests time in understanding the Company and its unique requirements;
- ii. brings in external knowledge and perspective to the table for discussions at the meetings;
- iii. expresses his/her views on the issues discussed at the Board and
- iv. keeps himself/herself current on areas and issues that are likely to be discussed at the Board level.

Pursuant to the amendment in the SEBI Listing Regulations, in addition to the above criteria the evaluation criteria for Independent Directors also include fulfilment of the independence criteria as specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and their independence from the management.

### Remuneration philosophy:

Your Company's executive remuneration philosophy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities, with the long-term success of your Company's stakeholders.

The executive remuneration policy is designed to attract, retain, and reward talented executives who contribute to your Company's long-term success and thereby build value for stakeholders. It is intended to provide for monetary and non-monetary remuneration elements on a holistic basis;

emphasise "pay for performance" by aligning incentives with business strategies to reward executives who achieve or exceed business and individual goals. Your Company does not pay any severance pay to its directors.

Executive pay practices and levels are dynamically tracked and aligned with peer companies in similar industries, geographies, size and function. Your Company aims to provide competitive remuneration opportunities to its executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive payouts at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. It recognises the size and scope of the role and the market standing, skills and experience of incumbents while positioning its executives. Your Company uses secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

#### Components of Remuneration:

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The remuneration involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of your Company and its goals. A material proportion of compensation for senior management is performance based - 25% to 40% of compensation. It increases as the employee grows in the organisation and takes up roles of higher responsibility. The more senior the role, the weightage of business performance on the variable pay also increases in comparison to unit performance and individual performance. This ensures a competitive pay-mix which aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits.

Annual incentive plan pay-outs of executives is linked to relevant financial and operational metrics achievement and their individual performance. Financial and operational metrics are annually aligned with priorities / focus areas for the business. Long-term incentive plans incentivise stretch performance, link executive remuneration to sustained long term growth and act as a retention and reward tool. Stock options are used as the primary long-term incentive vehicles as your Company believes that they best align executive incentives with stakeholder interests. Your Company also grants restricted stock units as a secondary long term incentive vehicle, to motivate and retain its executives. The ratio of stock options and restricted stock units is generally 75:25.

Your Company has integrated climate change and sustainability targets in the key responsibility areas ("KRAs") of the managing director and senior management. Thus, emission reduction targets and other improvement targets related to climate change are also linked with the incentives provided.

### a. Executive Directors:

The Nomination & Remuneration Committee ("NRC") while recommending to the Board the remuneration of Executive Directors, considers the performance of the business, individual performance, practices followed in other similar sized companies, among others, while also ensuring that the remuneration is in compliance with the terms and conditions of appointment as approved by the Members. All decisions relating to the remuneration of Executive Directors is taken by the Board based on the remuneration policy and in terms of the resolution passed by the Members of your Company.

#### b. Non-Executive Directors

Based on the recommendation of the NRC, all decisions relating to remuneration of Directors are taken by your Company's Board in accordance with the shareholder's approval, wherever necessary.

Sitting fees are paid as under:

- Board: ₹ 50,000 per meeting.
- Audit Committee: ₹ 25,000 per meeting.
- Other Committees: ₹ 20,000 per meeting.

There were no pecuniary relationships or transactions between your company and non-executive directors during the year.

In addition to the sitting fees, your Company also pays commission to the Non-Executive Independent Directors of an amount not exceeding 1% per annum of the net profit of your Company. The amount of commission payable is determined after assigning weightage to various factors, which, inter alia, include providing strategic perspective, Chairmanship and contributions made by the Directors, type of meeting and responsibilities under various statutes, performance evaluation, etc. Based on the performance evaluation of each Director and the remuneration policy, the Board has recommended an amount of ₹ 6 crore as commission to be paid to the Non-Executive Directors for the financial year 2022-23.

#### Remuneration of Non-Executive & Executive Directors for the Financial Year 2022-23

(₹ in lakhs)

				(CIII COICII)
	Designation <sup>(1)</sup>	Salary/	Commission	Sitting fees
		Remuneration		
Mr. Anant Maheshwari	ID		28.40	2.50
Ms. Alka Bharucha	ID	_	36.80	2.50
Mr. Askaran Agarwala	NED	-	37.63	4.80
Mr. Kumar Mangalam Birla <sup>(3)</sup>	Chairman and NED	-	Nil	2.10
Mr. Kailash Nath Bhandari	ID		72.18	6.85
Mrs. Rajashree Birla	NED		288.60	2.20
Mr. Sudhir Mital	ID		28.40	2.50
Dr. Vikas Balia	ID	-	47.98	4.25
Mr. Yazdi Dandiwala	ID	-	60.01	5.85
Mr. Satish Pai	Managing Director	3713.03 <sup>2</sup>	-	-
Mr. Praveen Kumar Maheshwari	Whole-Time Director & Chief Financial Officer	775.53	-	-
NED: New Eversitive Diseases III	Indones dont Discotor			

- 1. NED: Non-Executive Director; ID Independent Director
- 2. Excludes perquisites towards exercise of ESOPs during the year.
- 3. Mr. Kumar Mangalam Birla assumed the role of Executive Chairman of Aditya Birla Management Corporation Private Limited, with effect from January 01, 2019 accordingly he would not like to receive any commission from the Company

### **ESOP/RSU** to the Directors:

		2022-2023			2021-2022			
Director	Stock 0	Option	RS	U	Stock (	Option	RS	U
	Granted	Exercised	Granted	Exercised	Granted	Exercised	Granted	Exercised
Mr. Satish Pai	11,71,875		166,063	3,11,203	9,86,841	7,22,186	1,37,969	Nil
							1,65,562	Nil
Mr. Praveen Kumar	70,755		10,000		40,323	Nil	5,655	Nil
Maheshwari							11,312	Nil

Further, requisite disclosure with respect to the details of fixed component and performance linked incentive, in terms of the Listing Regulations and Schedule V of the Act, have been made in the Annual return in Form no. MGT- 7 disclosed on www.hindalco.com.

#### **D&O Insurance for Directors:**

In line with the requirements of Regulation 24(10) of the Listing Regulations, your Company has a Directors and Officers Insurance policy ("D&O") for all its Directors and members of the senior management for such quantum and for such risks as determined by the Board.

### **Succession Planning:**

Your Company has an effective mechanism for succession planning which focuses on orderly succession of Board and senior management team. The NRC Committee implements this mechanism in concurrence with the Board. In addition, promoting senior management within the organisation fuels the ambitions of the talent force to earn future leadership roles

### **Subsidiary governance:**

Hindalco governance philosophy extends across the subsidiaries of the Company. All subsidiary boards and their respective businesses have in place effective governance arrangements with regard to the businesses' nature, size, locations and the sectors in which they operate. The Audit Committee and Board of Directors reviews the financial statement and investments made, if any, on and also the annual financial statements of subsidiaries and associate which are duly consolidated with annual financial statements of the Company. The Board of Directors of the Company also reviews minutes of the Board Meetings of all subsidiaries. Details of the Subsidiaries and Associate Companies forms part of the Directors Report.

HINDALCO INDUSTRIES LIMITED

Integrated Annual Report 2022-23

### **The Board Committees**

#### **Audit Committee:**

### **Composition of the Committee:**

The Audit Committee Comprises of three Independent Directors: -

Mr. Kailash Nath Bhandari Chairman Mr. Yazdi Dandiwala Member Dr. Vikas Balia Member

### **Role of the Committee:**

The Committee is governed by a Charter, which is in line with Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations. The scope, functions and overall responsibility of the Audit Committee is to supervise the Company's internal controls and financial reporting process. The brief description of the terms of reference is available on the website of the Company i.e. <a href="https://www.hindalco.com">www.hindalco.com</a>.

#### **Composition & Attendance**

100%Independence		3 Members		7 Mee	etings	100% Attendance		
Members				Meeting	g details			
	1	2	3	4	5	6	7	
	Apr 8, 2022	May 26, 2022	Jul 22, 2022	Aug 10, 2022	Oct 10, 2022	Nov 11, 2022	Feb 9, 2023	%
Mr. Kailash Nath Bhandari	<b>\$</b>	<b>.</b>	<b>₹</b>	<b>₹</b>	<b>\$</b>	*	<b>*</b>	100
Mr. Yazdi Dandiwala	<b>*</b>	<b>*</b>	<b>₹</b>	<b>\$</b>	*	*	<b>*</b>	100
Dr. Vikas Balia	<b>*</b>	<b>*</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	100
% attendance	100	100	100	100	100	100	100	
Permanent Invitee:-								
Mr. Satish Pai	Managing	Director						
Mr. Praveen Kumar Maheshwari	Whole-Tim	Whole-Time Director & Chief Financial Officer						
Mr. Anil Malik <sup>1</sup>								
Ms. Geetika Anand <sup>2</sup>	Company S	Secretary acts	as a Secreta	ry to the Con	nmittee			

### \* Leave of absence

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- 1. Until November 30, 2022;
- 2. w.e.f. December 01, 2022;
- 3. Representatives of the Statutory Auditors and Internal Auditors are also invited to the Committee meetings for providing such information as may be necessary;
- 4. Company has provided an avenue to the Statutory Auditors to have a separate discussion with the Chairperson and members of the Audit Committee without the presence of executives, prior to declaration of the financial results, whenever requested.

#### **Committee Governance:**

The Committee keeps the Board informed and advises on matters concerning the financial reporting requirements to ensure that the Board has exercised oversight of the work carried out by management, Internal Auditor and the external auditor. Committee meetings for Internal Audit usually take place a couple of days before Board meetings to allow the Committee to report its findings and recommendations in a timely and orderly manner.

The Board also receives copies of the Committee minutes. The Managing Director, Chief Financial Officer, Financial Controller, Head of Internal Audit and other members of senior management routinely attend meetings of the Audit Committee. The Company Secretary met with the Chair to ensure the Committee fulfilled its governance responsibilities, and to consider input for finalising meeting agendas, tracking progress on actions and Committee priorities.

### **Nomination & Remuneration Committee:**

### Composition of the Committee:

The Nomination and Remuneration Committee"NRC" comprises of the following members: -

Mr. Kailash Nath Bhandari Chairman Mr. Kumar Mangalam Birla Member Mr. Yazdi Dandiwala Member

#### Role of the Committee:

The composition, quorum, powers, role and scope of the NRC are in accordance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The Committee is governed by a Charter which is also in line with the Section 178 of the Act.

The overall responsibility of the NRC is to approve and recommend to the Board matters relating to the appointment and remuneration of the Company's Executive Directors, KMP and senior management, in line with the Executive Remuneration philosophy of the Company.

The broad terms of reference of the NRC, in terms of the Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations is available on the website of the Company i.e. www.hindalco.com.

### Composition & Attendance

Composition & Attendance								
100%Non-Executive Directors	3 Mer	mbers	5 Me	etings	86% Attendance			
Members			Meeting	g details				
	1	2	3	4	5	%		
	May 26, 2022	Jul 22, 2022	Aug 10, 2022	Nov 11, 2022	Feb 9, 2023			
Mr. Kailash Nath Bhandari	*	*	*	*	*	100		
Mr. Kumar Mangalam Birla	*	*	*	*	*	60		
Mr. Yazdi Dandiwala	*	<b>.</b>	*	*	•	100		
% attendance	67	67	100	100	100			
Permanent Invitee:-								
Mr. Anil Malik <sup>1</sup>		Company Secretary acts as a Secretary to the Committee						
Ms. Geetika Anand <sup>2</sup>	Company Secre	etary acts as a Se	cretary to the Col	mmillee				
* Loavo of absonce								

#### \* Leave of absence

- Until November 30, 2022;
- 2. w.e.f. December 01, 2022;

### **Committee Governance:**

The Committee provides advice to the Board on the Appointment of Directors and Senior Management of the Company. It also annually reviews the remuneration and performance of the Director and Senior Management of the Company. The Committee also evaluates the Performance criteria for Independent Directors. The Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service.

### Stakeholders Relationship Committee:

### **Composition of the Committee:**

The Stakeholders Relationship Committee "SRC" comprises of following members as on March 31, 2023

Mr. Kailash Nath Bhandari Chairman Mr. Satish Pai Member Mr. Askaran Agarwala Member

### Role of the Committee:

In terms of the applicable provisions of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations, the scope, functions and overall responsibility of the SRC is to oversee various aspects of interests of stakeholders of the Company. The term 'stakeholder' includes shareholders, debenture holders and other security holders. The brief description of the terms of reference is available on the website of the Company i.e. <a href="https://www.hindalco.com">www.hindalco.com</a>.

### **Composition & Attendance**

66%Non-Executive	3 Mer	mbers	4 Me	etings	100% Attendance
Member			Meeting details		
	1	2	3	4	%
	May 24, 2022	Aug 4, 2022	Nov 3, 2022	Feb 8, 2023	
Mr. Kailash Nath Bhandari	*	*	<b>.</b>	*	100
Mr. Satish Pai	*		<b>.</b>	<b>.</b>	100
Mr. Askaran Agarwala	*	*	*	*	100
% of attendance	100	100	100	100	
Permanent Invitee					
Mr. Anil Malik <sup>1</sup>	Common Common				Office
Ms. Geetika Anand <sup>2</sup>	— Company Secreta	ry acts as a Secreta	ary to the Committe	e and Compuance	Officer

- 1. Until November 30, 2022;
- 2. w.e.f. December 01, 2022;

#### Committee Governance:

The committee monitors and reviews the investor service standards of the Company. The Committee meets on a quarterly basis and include the items/matters prescribed under applicable laws or prescribed by Board in Compliance with applicable law. The objective is to consider and resolve the security holders concern or complaints. The details of the shareholders complaints are provided in the Shareholders Information section of this report. The Committee endeavours to develop an understanding of the views of stakeholders about the Company.

### **Corporate Social Responsibility Committee:**

### Composition of the Committee:

The Corporate Social Responsibility "CSR" Committee Comprises of the following members: -

Mrs. Rajashree Birla Chairperson
Mr. Yazdi Dandiwala Member
Mr. Askaran Agarwala Member
Mr. Satish Pai Member

### Role of the Committee:

The composition, quorum, powers, role and scope of the CSR Committee are in accordance with Section 135 of the Act. The Company has in place Corporate Social Responsibility Policy. The brief description of the terms of reference and the policy are available on the website of the Company i.e. www.hindalco.com.

### **Composition & Attendance**

75% Non-Executive	4 Members	1 Meeting	100% Attendance
7370 NOTE EXCEPTIVE	4 Michibers	Tweeting	100 /0 / tteridance
Member		Meeting details	
		l	%
	May 6	, 2022	
Mrs. Rajashree Birla			100
Mr. Yazdi Dandiwala		<b>.</b>	100
Mr. Askaran Agarwala		<b>.</b>	100
Mr. Satish Pai		<u>.</u>	100
% of attendance			100
Permanent Invitee:			
Dr. Mrs. Pragnya Ram	Group Executive President – CS	R, Legacy Documentation & Arch	nives
Mr. Anil Malik <sup>1</sup>	Carran and Carran and a care C	and the Committee	
Ms. Geetika Anand <sup>2</sup>	Company Secretary acts as a Se	ecretary to the Committee	

- Until November 30, 2022;
- 2. w.e.f. December 01, 2022

### **Committee Governance:**

The Committee provides oversight and guidance on CSR performance and monitor the compliance with the CSR policy, the commitments and the applicable CSR provisions. The Committee formulates and recommends the Board an Annual action plan which includes the modalities of utilisation of the CSR funds and implementation schedules for the projects or programmes undertaken by the Company. The Committee determines the overall scope of, provide input on and recommend adoption of CSR Report to the Board of Directors of the Company and reviews the effectiveness of the CSR Policy and activities included in the policy. The CSR Report for FY 2022-23 forms part of the Directors' Report.

### **Risk Management & ESG Committee:**

### **Composition of the Committee:**

The Risk Management & ESG Committee "RM & ESG" comprises the of following members: -

Mr. Askaran Agarwala
Mr. Satish Pai
Mr. Kailash Nath Bhandari
Mr. Praveen Kumar Maheshwari
Mr. Anil Arya
Member
Mr. Anil Mathew
Mr. Unnikrishnan P.
Member

#### Role of the Committee:

Since the Company is in the manufacturing industry, it is prone to inherent business risks. Your Company has in place a Risk Management Policy that covers the inherent business risks and appropriate measures to be taken, to manage uncertainty, changes in the internal and external environment to limit negative impacts and capitalise on opportunities along with minimisation of identifiable risks by the Company. The composition, quorum, powers, role and scope of the RM & ESG are in accordance with the applicable provisions of the Act and Regulation 21 of the SEBI Listing Regulations. The brief description of the terms of reference is available at www.hindalco.com.

#### **Composition & Attendance**

57% Board Member	7 Members	4 Me	etings	93% Atter	ndance
Members			Meeting details		
	1	2	3	4	%
	Apr 8, 2022	Jul 8, 2022	Oct 10, 2022	Jan 9, 2023	
Mr. Kailash Nath Bhandari	<b>.</b>	<b>₹</b>	<b>.</b>	<b>\$</b>	100
Mr. Satish Pai	<b>₹</b>	<b>.</b>	<b>.</b>	<b>\$</b>	100
Mr. Askaran Agarwala	*	<b>.</b>	<b>.</b>	<b>.</b>	75
Mr. Praveen Kumar Maheshwari	<b>.</b>	<b>.</b>	<b>.</b>	<b>.</b>	100
Mr. Anil Mathew <sup>1</sup>	<b>.</b>	<b>.</b>	<b>.</b>	<b>.</b>	100
Mr. Anil Arya <sup>1</sup>	*	<b>.</b>	<b>&amp;</b>	<b>\$</b>	75
Mr. Unnikrishnan P <sup>1</sup>	<b>.</b>	<b>.</b>	<b>\$</b>	<b>&amp;</b>	100
% of attendance	71	100	100	100	
Permanent Invitee: -					
Mr. Anil Malik <sup>2</sup>	CampanyCagasta	anta an a Canuatana	to the Committee		
Ms. Geetika Anand <sup>3</sup>	Company Secretary	acts as a Secretary	to the Committee		

<sup>\*</sup> Leave of absence

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### **Committee Governance:**

The Committee comprises of Senior Management who reaffirms the ownership and accountability of risks in the first line of defence. Business risk evaluation and its management is an on-going process within the Company. The RMC is inter alia entrusted with the responsibility of monitoring and reviewing the risk management plan, sustainability and the cyber security of the Company and such other functions as may be delegated by the Board from time to time. Details of commodity price risks and commodity hedging activies is provided in shareholder information section of this report. The Chair meets regularly with the Company Secretary to ensure the Committee addresses its governance responsibilities.

### **Prevention of Insider Trading Regulations Committee:**

### **Composition of the Committee:**

The Prevention of Insider Trading Regulation Committee comprises of the following members: -

Mr. Yazdi Dandiwala Member
Mr. Satish Pai Member

### Role of the Committee:

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities' of your Company ("the Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information.

All the senior employees of the Company have been covered as a Designated Person under the Company Code and are monitored regularly by the Committee and the Designated Persons are required to provide periodical disclosures and obtain the pre-clearance for trading in securities of your Company.

### Composition & Attendance:

50% Independence	2 Members	2 Meetings	100% Attendance
Member		Meeting details	
	1	2	%
	Jun 17, 2022	Sep 14, 2022	
Mr. Yazdi Dandiwala	*	<b>.</b>	100
Mr. Satish Pai	*	4	100
% of attendance	100	100	
Permanent Invitee			
Mr. Anil Malik <sup>1</sup>	Camanani Camatani asta as a C	a sustant to the Committee	
Ms. Geetika Anand <sup>2</sup>	Company Secretary acts as a S	ecretary to the committee	
Ms. Geetika Anand <sup>2</sup> 1 Until November 30, 2022			

<sup>1.</sup> Until November 30, 2022;

### **Committee Governance:**

The Committee meets on need basis to consider, review and enforce actions for non-compliance of Code of Conduct. They also monitor and review mechanism to track the compliances under Insider Trading Regulations.

<sup>1.</sup> Part of senior management of the Company;

<sup>2.</sup> Until November 30, 2022;

<sup>3.</sup> w.e.f December 01, 2022

<sup>2.</sup> w.e.f. December 01, 2022

### **Finance Committee:**

### **Composition of the Committee:**

The Finance Committee comprises of the following members as on March 31, 2023

Mr. Askaran Agarwala Chairman Mr. Satish Pai Member

### Role of the Committee:

The Board has delegated certain powers to Finance Committee to deal with routine business matters including opening of Bank accounts, issuing power of attorneys for seamless functioning by the executives.

#### Attendance details:

50% Non-Executive Directors	2 Members	4 Mee	etings	100% Attendance				
Member			Meeting details					
	1	2	3	4	%			
	May 24, 2022	Aug 4, 2022	Nov 3, 2022	Feb 8, 2023				
Satish Pai	*	*	<b>.</b>	<b>.</b>	100			
Askaran Agarwala	<b>.</b>	<b>.</b>		<b>.</b>	100			
% of attendance	100	100	100	100				
Permanent Invitee: -								
Mr. Anil Malik <sup>1</sup>								
Ms. Geetika Anand <sup>2</sup>	Company Secretary acts as a Secretary to the Committee							

1. Until November 30, 2022; 2. w.e.f. December 01, 2022

#### **Committee Governance:**

The Committee meets on quarterly basis to oversee various aspect relating to authorizations and authorising officer/(s) to deal in administrative matter/s relating to any Regulatory/Statutory Bodies/Banking for smooth operations to/ to facilitate smooth operations of the Company.

### **Disclosures:**

### 1. General Shareholder Information:

Your Company has provided the details required under this as a separate section on 'Shareholders' Information', which forms a part of this Annual Report.

### 2. Management Discussion & Analysis Report (MD&A):

The MD&A forms part of the Director's Report and is in accordance with the requirements of the Listing Regulations.

### 3. General Body Meeting/Postal Ballot:

The 63<sup>rd</sup> AGM of the Company was held on August 23, 2022 via Video-conferencing, in terms of General Circular issued by the Ministry of Corporate Affairs.

The Chairperson of the Committees of the Board i.e. Audit, NRC and SRC was present at the AGM, to answer the queries of the members of the Company. Details of attendance of Directors at the AGM forms part of this report.

For matters which are urgent and require shareholders' approval in the period between the AGMs, the Company seeks the approval of shareholders through postal ballot. In compliance with Sections 108 and 110 and other applicable provisions of the Act, read with the related Rules, the Company also provides electronic voting (e-voting) facility to all its members. During the year under review, resolutions were passed through postal ballot, details of which are provided hereunder and as on the date of this report no special resolution is proposed to be conducted through postal ballot.

### Details of Special resolutions (passed in previous three annual general meetings and through postal ballot)

Year	Mode	Venue	Date & Time	Particulars of Special Resolution
2020	Annual General Meeting	Video Conferencing/ Other Audio- Visual Means	September 10, 2020 at 03:00 PM	<ul> <li>i. Continuation of directorship of Mrs. Rajashree Birla (DIN:00022995)</li> <li>ii. Re-appointment of Mr. Yazdi Dandiwala (DIN: 01055000) as an Independent Director for second term of five consecutive years.</li> </ul>
2021	Annual General Meeting	Video Conferencing/ Other Audio- Visual Means	August 23, 2021 at 03:00 PM	<ul> <li>Re-appointment of Mr. Askaran Agarwala (DIN:00023684), who retired by rotation and was eligible, offered himself for reappointment as a non-executive director;</li> </ul>
2022	Annual General Meeting	Video Conferencing/ Other Audio- Visual Means	August 23, 2022 at 03.00 PM	<ul> <li>i. Adoption of the Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme;</li> <li>ii. To approve extending benefits of the Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 to the employees of the group companies including holding, Subsidiary and associate Companies of Company</li> <li>iii. To approve (a) the use of the trust route for the implementation of the Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 ("Scheme 2022"); (b) secondary acquisition of the equity shares of the Company by the trust; and (c) grant of financial assistance / provision of money by the Company to the trust to fund the acquisition of its equity shares, in terms of the Scheme 2022</li> </ul>
	Postal Ballot	-	February 9, 2023	<ol> <li>Re-appointment of Ms. Alka Bharucha as an Independent Director of the Company for Second term of Five consecutive years.</li> </ol>

### Postal Ballot

Detail of voting pattern of the special resolution

Mode of Voting	Total Shares	No of Votes	In fa	vour	Against		
		Polled	No of Votes	% of Votes	No of Votes	% of Votes	
E-voting	2,24,71,94,585	1,95,02,85,144	1,79,49,69,392	92.04	15,53,15,752	7.96	

- Person who conducted the aforesaid postal ballot exercise:
- Mr. Dilip Bharadiya, Practicing Company Secretary (FCS 7956 & C.P. No. 6740) conducted the aforesaid postal ballot exercise in a fair and transparent manner.
- iii. Whether any special resolution is proposed to be conducted through postal ballot: No Special Resolution is currently proposed to be conducted through postal ballot.

iv. Procedure followed for Postal Ballot: Pursuant to and in compliance with the provisions of Sections 108, 110 and other applicable provisions, if any, of the Act and the rules made thereunder and Regulation 44 of the listing regulations Secretarial Standard-2 on General Meetings ('SS-2'), read with the quidelines prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings / conducting postal ballot process through e-voting vide General Circulars No. 14/2020 dated 8th April 2020, No. 17/2020 dated 13th April 2020, No. 22/2020 dated 15th June 2020, 33/2020 dated 28th September 2020, No. 39/2020 dated 31st December 2020, No. 10/2021 dated 23rd June 2021, No. 20/2021 dated 8th December 2021, No. 3/2022 dated 5th May 2022 and No. 11/2022 dated 28th December 2022 issued by MCA and other applicable laws and regulations, as amended from time to time, the notice was sent to the Members of the Company to transact the special business as set out in the postal ballot notice for passing Ordinary / Special Resolution, as applicable, by remote e-voting process ('remote e-voting') only. The Company had provided facility to the Members to exercise voting through electronic voting system ('remote e-voting') on the e-voting platform provided by National Securities Depository Limited "NSDL".

Members whose names appears in the Register of Members / List of Beneficial Owners as on the cut-off date i.e., Friday, February 10, 2023 were eligible to cast their votes on the resolutions set out in the Notice. A person who was not a Member as on the cut-off date treated the Notice for information purpose only. The Scrutiniser, after the completion of scrutiny, submitted his report in accordance with the provisions of the Act, the Rules framed thereunder and the SS-2. The consolidated results of the voting by postal ballot and e-Voting were then announced on March 21, 2023 and are also available on the Company's website at www.hindalco.com besides being communicated to BSE Limited ('BSE'), National Stock Exchange of India Limited ('NSE').

### Means of Communication



### www.hindalco.com

A separate dedicated section 'Investors' is maintained on the website of the Company for ease of the shareholders. The information required to be disseminated by the Company in terms of Regulation 46 and 30 of the SEBI Listing Regulations are uploaded on the website of the Company. These include, more particularly, the following:

- i. Quarterly financial results and annual financial statements,
- ii. Investor presentations, press releases, earnings call transcripts,
- iii. Details of corporate governance policies, Board committee charters,
- iv. Other quarterly filings and Stock Exchange disclosures



'The Business Standard' and 'Navshakti'

The quarterly financial results of the Company are published within the stipulated timeline, in 1 (one) English language national daily newspaper and regional language daily newspapers.



hilinvestors@adityabirla.com

The Company has designated e-mail ids for investor relations and shareholder's



NEAPS (NSE Electronic Application Processing System) & NSE Digital Portal, BSE Corporate Compliance & the Listing Centre

NEAPS & NSE Digital Portal and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, inter alia, shareholding pattern, corporate governance report, corporate announcements, amongst others, are filed electronically in accordance with the SEBI Listing Regulations. All the disclosures made to the stock exchanges are in a format that allows users to find relevant information easily through a searching tool.



SEBI Complaints Redress System (SCORES)

The Company makes use of this system which is a centralised database of all complaints and enables on-line upload of Action Taken Reports by the Company on complaints received, on-line viewing by investors of actions taken on the complaints and their current status.

### 4. Policy for prevention of Sexual Harassment at Workplace:

The Company has adopted 'Policy for Prevention of Sexual Harassment at Workplace.' The said policy is also available at www.hindalco.com.

This ensures a work environment that is professional and mature, free from animosity and one that reinforces Hindalco's value of integrity, which includes respect for 9. the individual.

The details of the cases is provided in the Directors Report.

#### 5. Code of Conduct:

The Code of Conduct as adopted by the Board is applicable to Directors and Senior Management of the Company the Code is available at www.hindalco.com. The declaration from the Managing Director is annexed as Annexure A.

#### 6. CEO/ CFO Certification

As required under the provisions of Regulation 33 of the SEBIListing Regulations, Mr. Satish Pai, Managing Director and Mr. Praveen Kumar Maheshwari, Chief Financial Officer have reviewed the audited financial statements and cash flow statement for the financial year ended March 31, 2023 and accordingly have provided a certificate, which is enclosed separately at the end of this Report as **Annexure B**.

### 7. Vigil Mechanism and Whistle Blower Policy:

The Company has in place a Vigil Mechanism / Whistle Blower Policy which facilitates the stakeholders to have direct access to the management and the Audit Committee, to report concerns about any unethical behaviour, grievance, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It is hereby affirmed that no employee has been denied access to the Audit Committee. The said policies are also available at www.hindalco.com.

### Code of Conduct for Prevention of Insider Trading:

Your Company also has a 'Code of Conduct to regulate, monitor and report trading by Designated Persons in listed or proposed to be listed Securities of Hindalco Industries Limited' which is followed by designated persons for dealing in securities of the Company.

There were no cases of corruption or bribery reported during the reporting period.

PAN based online tracking mechanism for monitoring of the trade in your Company's securities by the designated persons and their immediate relatives is in place to ensure real time detection and taking appropriate action, in case of any violation / non compliance of your Company's Code.

### Policy for determining material subsidiary:

The Company has adopted a policy for determining material subsidiaries and is available at www.hindalco. com.

### 10. Related Party Transaction:

The Company has adopted policy on related party transaction. Details of the policy are available on at www.hindalco.com. Disclosures related to the Related Party Transactions are provided in Directors Report.

### 11. Details of Compliance with Mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to corporate governance.

The status of compliance with discretionary recommendations of Regulation 27 of Listing Regulations are provided below:

#### Non-Executive Chairman's Office:

The position of the Chairman and the Managing Director are separate. Your Company maintains a separate office for its Chairman. All necessary infrastructure and assistance is made available to enable him to discharge his responsibilities effectively.

### Shareholders' Rights:

Since the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on your Company's website, the same are not being sent to the shareholders.

### **Modified Opinion in Auditors' Report:**

Your Company's financial statements for the FY 2022-23 do not contain any modified audit opinion.

### Reporting of Internal Auditor:

The report of the Internal Auditors are reviewed by the Audit Committee.

### 12. Risk Management:

Risk Management and Evaluation is an ongoing process within the organisation. Your company has a comprehensive Risk management policy.

13. Certificate from Practicing Company Secretary regarding Non-Debarment and Non-Disqualification of Directors:

A certificate from M/s. Dilip Bharadiya & Associates, Company Secretaries, (CP No: 6740) has been obtained, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of a Company by SEBI and Ministry of Corporate Affairs or any other statutory authority and accordingly the same forms part of this report as **Annexure C**.

14. Details of recommendation of any Committee of the Board not accepted by the Board and reasons thereof:

During the year under review, the Board of your Company has accepted all the recommendations made by its Committee(s).

### 15. Disclosure of accounting standards

The Company has followed all applicable accounting standards while preparing the financial statements.

16. Total fees paid, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

M/s. Price Waterhouse & Co, Chartered Accountants LLP, are the statutory auditors of the Company for the Financial Year. The details of the fees paid to the Statutory Auditors is disclosed in note no. 41(a) of the

Standalone financial statements forming part of this Annual Report. Further, the fees are paid by subsidiaries, the segregation of which is mentioned below:

(₹	in	Crore)	
٠,		Ci Oi Ci	

Sr. no.	Particulars	By Company	By Subsidiaries	Total
1	Audit & Other services	5	69	74

### **Employee Stock Option Scheme:**

Your Company's Board has nominated the NRC Committee for the administration and superintendence of employee stock option schemes. Approval of shareholders is sought for grant of employee stock options ("Options") and / or restricted / performance stock units ("RSUs / PSUs") (collectively "Stock Options") to eligible employees as may be determined by the NRC Committee. Presently, stock option schemes are implemented through a trust, wherein the Trust acquires equity shares of your Company through secondary acquisition. Such acquisition in a financial year cannot exceed 2% of the paid-up equity share capital of your Company as at the end of the previous financial year. Further, in terms of the applicable Regulations, the Trust cannot hold more than 5% of the paid-up equity share capital as at the end of the financial year immediately prior to the year in which the shareholder approval is obtained. Your Company provides financial assistance to the Trust for the secondary acquisition, in one or more tranches. As and when the employees exercise the stock options, the Trust repays the money to your Company.

### **Other Affirmations:**

- a. The Company is in Compliance with the corporate governance requirements specified in Regulations 17 to 27 and Regulation 46(2) (b-i) of the SEBI Listing Regulations
- There were no material significant Related Party Transaction ("RPTs") that had/may have potential conflict with the interests of the Company at large.
- c. The Company has complied with all applicable provisions of the Listing Regulations and all other applicable regulations and guidelines issued by SEBI and stock exchanges. No penalties or strictures are imposed on your Company by SEBI or the stock exchanges or any statutory authority on any matter related to the capital markets during the last 3 years.
- During the year, the Company has not raised any proceeds from public issues, right issues, preferential issues, qualified institutional placement.
- e. No loans and advances were given to firms/company in which directors are interested.

#### Weblinks for the policies/reports referred to:

Your Company has various policies and codes, duly adopted pursuant to the approval of the Board and the same are periodically reviewed by the Board, to incorporate any changes required either in terms of the business of the Company or pursuant to the amendment in the applicable Acts and Regulations including but not limited to the Act and the SEBI Listing Regulations. Click to view details of the policies and codes adopted by the Company:

No.	Particulars	Website link
1	Policy on Board Diversity	https://www.hindalco.com/upload/pdf/hindalco-policy-on-board-diversity.pdf
2	Terms and Conditions of Appointment of Independent Director	https://www.hindalco.com/upload/pdf/terms-and-conditions-independent-directors.pdf
3	Familiarisation Programme for Independent Directors	https://www.hindalco.com/investor-centre
4	Code of Conduct for Board and Senior Management	https://www.hindalco.com/upload/pdf/hindalco-code-of-conduct-BODs-SMP.pdf
5	Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information	https://www.hindalco.com/upload/pdf/hindalco-code-of-fair-disclosure.pdf
6	Policy on Related Party Transactions	https://www.hindalco.com/upload/pdf/policy-related-party-transactions.pdf
7	Vigil Mechanism and Whistle- Blower Policy	https://www.hindalco.com/upload/pdf/hindalco-whistle-blower-policy-19.pdf
8	Policy for determining Material Subsidiaries	https://www.hindalco.com/upload/pdf/hil-policy-on-material-subsidiary.pdf
9	Archival Policy	https://www.hindalco.com/upload/pdf/HIL-archival-policy-2015.pdf
10	Prevention of Sexual Harrassment (POSH) Policy	https://www.hindalco.com/upload/pdf/hindalco-posh-policy.pdf
11	Corporate Social Responsibility Policy	https://www.hindalco.com/upload/pdf/hindalco-csr-policy.pdf
12	Presentation to institutional investors and analysts	https://www.hindalco.com/investor-centre/reports-and-presentations
13	Quarterly, Half-yearly, Annual Financial Results and Annual Report	https://www.hindalco.com/investor-centre/reports-and-presentations
14	Financials of subsidiaries	https://www.hindalco.com/investor-centre/reports-and-presentations

#### **Report on Corporate Governance**

As required under Regulation 27 of the SEBI Listing Regulations, your Company has been duly submitting the quarterly compliance report in the prescribed format and within the required timelines to the stock exchanges and the same are available on their websites. The said reports are also available at www.hindalco.com.

The compliance certificate received from M/s. Dilip Bharadiya & Associates (CP No: 6740), Company Secretaries regarding compliance of corporate governance requirements is annexed as Annexure VIII to the Report of the Board of Directors.

#### **Annexure A**

# **DECLARATION**

As provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2023.

Place: Mumbai Date: May 24, 2023 Managing Director

#### **Annexure B**

## **CEO - CFO CERTIFICATION**

To the Board of Directors Hindalco Industries Limited

- We have reviewed the Audited Financial Statements and the cash flow statement of Hindalco Industries Limited ("Company") for the financial year ended on March 31, 2023 and to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- 2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2023 which are fraudulent, illegal or violative of the Code of Conduct of the Company.
- 3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
- We have indicated to the Auditors and the Audit Committee:
  - I. Significant changes in the Company's internal control over financial reporting, if any, during the financial year ended on March 31, 2023;
  - Significant changes in accounting policies, if any, during the financial year ended on March 31, 2023 have been disclosed in the notes to the Financial Statements; and
  - III. Significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Mumbai May 24, 2023

Satish Pai Managing Director Praveen Kumar Maheshwari Chief Financial Officer

### Annexure C

### CERTIFICATE FROM PRACTICING COMPANY SECRETARY W.R.T. CONFIRMATION OF **DIRECTOR'S NON-DISQUALIFICATION**

To,

Satish Pai

The Members,

#### HINDALCO INDUSTRIES LIMITED

Plot-612/613, Tower 4 One International Centre, Senapati Bapat Marg, Mumbai 400013

This Certificate is being issued to the Members of Hindalco Industries Limited, bearing Corporate Identity Number (CIN) - L27020MH1958PLC011238, having its registered office address at Plot 612/613, Tower 4, One International Centre, Senapati Bapat Marg, Mumbai 400013 ("the Company") in terms of Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

We believe it is the responsibility of the Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Companies Act, 2013 ("Act") and Listing Regulations.

We have examined the documents and disclosures provided by the following Directors (as on March 31, 2023) in electronic mode, for the purpose of issuing this Certificate, in accordance with the requirements under the Act and the Listing Regulations:

Sr. No.	Name of the Director (In alphabetical order)	DIN	Date of appointment (dd-mm-yyyy)		
1.	Ms. Alka Bharucha	00114067	11-07-2018		
2.	Mr. Anant Maheshwari	02963839	14-08-2020		
3.	Mr. Askaran Agarwala	00023684	11-09-1998		
4.	Mr. Kailash Nath Bhandari	00026078	30-01-2006*		
5.	Mr. Kumar Mangalam Birla	00012813	16-11-1992		
6.	Mr. Praveen Kumar Maheshwari	00174361	28-05-2016		
7.	Mrs. Rajashree Birla	00022995	15-03-1996		
8.	Mr. Satish Pai	06646758	13-08-2013		
9.	Mr. Sudhir Mital	08314675	11-11-2019		
10.	Dr. Vikas Balia	00424524	19-07-2019		
11.	Mr. Yazdi Dandiwala	01055000	14-08-2015		

<sup>\*</sup>Mr. Kailash Nath Bhandari was appointed w.e.f. 30-1-2006. In line with the FAQs issued by Stock Exchanges dated 10th April 2023, the date of appointment for Mr. Bhandari was mentioned as 14-08-2014 under filings for Regulation 27(2) of the Listing Regulations.

Based on our examination of relevant documents made available to us by the Company and such other verifications [including Directors Identification Number (DIN) status at the portal www.mca.qov.in] carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this certificate, none of the directors on

the Board of the Company, as listed hereinabove, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

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.

For DILIP BHARADIYA & ASSOCIATES
DILIP BHARADIYA
Partner
FCS No. 7956 CP No. 6740
UDIN: F007956E000589671

Place: Mumbai Date: July 12, 2023

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# Shareholders Information

[In terms of Part C, Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] [hereinafter referred as "SEBI Regulations"].

### i. Annual General Meeting ["AGM"] (64th):

Day and date : Tuesday, August 22, 2023

Time : 3.00 p.m. (IST)

Venue / Mode : Through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)

[pursuant to applicable MCA General Circulars]
For details, please refer to the Notice of this AGM.

### i. Financial Calendar for FY24:

Financial year : April 1, 2023 to March 31, 2024

### Board Meetings for considering Results for:

First quarter end : On or before August 14, 2023

Second quarter and half year end : On or before November 14, 2023

Third quarter end : On or before February 14, 2024

Fourth quarter and year end : On or before May 30, 2024

Annual General Meeting : On or before August 31, 2024

### **Dividend Payment**

for the Financial Year ended

March 31, 2023

: The Board has recommended Dividend of ₹3/- per equity share of face value of

Integrated Annual Report 2022-23

₹1/- each, subject to approval of the shareholders.

The same shall be paid/credited on or before August 27, 2023.

### iv. Date of Book Closure/Record Date : August 16, 2023, to August 22, 2023

(inclusive of both days)

#### Listing Details:

### (a) Equity Shares and Global Depository Receipts:

Equity Shares	Global Depository Receipts ["GDRs"]	Non-Convertible Debentures ["NCDs"]		
BSE Limited ["BSE"]	Luxembourg Stock Exchange ["LSE"]	National Stock Exchange of India		
Phiroze Jeejeebhoy Towers,	35 A, Boulevard, Joseph II,	Limited ["NSE"]		
Dalal Street, Fort,	L-1840 Luxembourg.	Exchange Plaza, 5 <sup>th</sup> Floor,		
Mumbai - 400 001.	-	Plot No. C/1, G Block,		
		Bandra-Kurla Complex,		
		Bandra (East), Mumbai – 400 051.		
NSE				
Exchange Plaza, 5 <sup>th</sup> Floor,				
Plot No. C/1, G Block,				
Bandra-Kurla Complex,				
Bandra (East),				
Mumbai – 400 051.				

Annual Listing Fee for the year has been paid to all Stock Exchanges and no amount is outstanding.

### (b) NCDs:

The Company has issued unsecured redeemable NCDs listed on NSE as per the following details:

Series	Year of Issue	ISIN	Principal Amount [INR Crore]	Maturity Date
7.60% Unsecured Redeemable NCDs	2023	INE038A08124	700	March 18, 2024
Debenture Trustee:  Overseas Depository for GDRs:	Axis Trustee Services Li 2 <sup>nd</sup> Floor 'E', Axis House Mumbai - 400 025. Phone: +91 22 2425 521: Fax: +91 22 2425 4200 E-mail: debenturetruste Website: <u>www.axistrust</u> J.P. Morgan Chase Bank P.O. Box 64504, St. Paul	e, Bombay Dyeing Mills Co 5/5216 ee@axistrustee.in, tee.com	ompound, Pandurang Budh	ıkar Marg, Worli,
	E-mail: jpmorgan.adr@e			
Domestic Custodian of GDRs:	Citibank N.A Custodial Services FIFC, 11 <sup>th</sup> Floor, C 54 & 5 Tel.: 91-22-61757110 Fax: 91-22-26532205	5, G Block, Bandra- Kurla (	Complex, Bandra [East], M	umbai – 400 098.

### Stock Codes and ISIN:

(c)

(d)

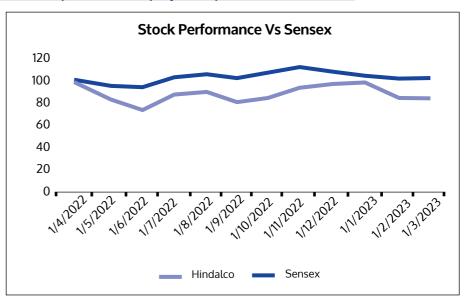
Stock Code Equity Shares	Scrip Code	Reuters	Bloomberg
BSE	500440	HALC.BO	HNDL IN
NSE	HINDALCO	HALC.NS	NHNDL IN
LSE	US4330641022	HALCg.LU	HDCD LI
ISIN of Equity Shares	INE038A01020		
	US4330641022		
ISIN of GDRs	CUSIP No. 433064300		
ISIN of NCDs	INE038A08124		

### vii. Corporate Identity Number ["CIN"] of the Company: L27020MH1958PLC011238

High, Low (based on daily closing prices) and number of equity shares traded during each month in FY23 on NSE, BSE and LSE:

FY23	BSE			NSE				LSE			
	High	Low	Close	Volume	High	Low	Close	Volume	High	Low	Close
		(In ₹)		(Nos.)		(In ₹)		(Nos.)		(In \$)	
Mar-23	422	381	405	49,90,897	422	381	405	15,23,94,055	5.10	4.62	4.94
Feb-23	481	398	399	29,80,209	481	398	399	13,18,17,339	5.70	4.82	4.84
Jan-23	504	459	469	52,58,312	504	459	468	14,84,40,047	6.20	5.55	5.75
Dec-22	484	428	473	65,70,369	484	428	473	15,47,85,067	5.90	5.20	5.70
Nov-22	460	405	451	83,33,803	461	406	451	19,89,57,444	5.65	4.94	5.55
Oct-22	417	379	406	86,50,102	417	366	406	14,33,60,319	5.05	4.66	4.90
Sep-22	448	359	391	1,20,52,140	448	359	391	23,57,52,985	5.55	4.40	4.80
Aug-22	448	359	439	1,20,52,140	447	408	439	22,18,32,595	5.55	5.05	5.40
Jul-22	418	327	415	1,32,28,112	417	327	415	27,15,51,737	5.20	4.20	5.20
Jun-22	422	309	339	1,02,58,356	422	309	339	29,58,88,739	5.25	3.94	4.24
May-22	486	385	423	1,23,50,366	486	385	423	32,49,29,215	6.29	4.93	5.40
Apr-22	595	477	484	85,62,195	591	476	483	22,71,38,262	7.73	6.19	6.24

### ix. Performance of the share price of the Company in comparison to the BSE Sensex



### x. Stock Performance and Returns:

	Absolute R	eturns (in %)		Annualized Returns (in %)			
	1YR	3YR	5YR		1YR	3YR	5YR
Hindalco	(28.85)	323.46	88.88	Hindalco	(28.85)	61.78	13.56
SENSEX	0.72	100.19	78.93	SENSEX	0.72	26.03	12.34
NIFTY	(0.60)	101.91	71.65	NIFTY	(0.60)	26.39	11.41

### xi. Registrar and Transfer Agents ["RTA"]:

During the year under review your Company operated an in-house Investors Service Department [Share Transfer Agent] at the registered office of the Company and has maintained the register of members thereat.

Changes in the RTA and place of maintenance of Register of Members has been provided below:

Duration	RTA	Address of RTA and place of maintenance of Register of Members
Up to May 31, 2023	In house RTA: Investors Service Department SEBI Category II	1 <sup>st</sup> Floor, Ahura Centre, B - Wing, Mahakali Caves Road, Andheri (East), Mumbai 400093.
W.e.f. June 1, 2023	Share Transfer Agent Registration No. INR000003910In	21 <sup>st</sup> Floor, One International Center, Tower 4, Near Prabhadevi Station, Senapati Bapat Marg, Prabhadevi Mumbai – 400013.
W.e.f. July 7,2023	Link Intime India Private Limited ["Link Intime"] SEBI Category II Share Transfer Agent Registration No. INR000004058	1 <sup>st</sup> Floor, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Phone: +91 22 49186000 Fax: +91 22 49186060 E-mail: rnt.helpdesk@linkintime.co.in Website: https//www.linkintime.co.in

### xii. Share Transfer System [Regulation 40 (1) of SEBI Regulations, SEBI Circulars dated January 25, 2022]:

Pursuant to the above stated legal requirement, the transfer, transmission and transposition of securities is effected only in dematerialized form. Further the securities are issued in dematerialized form only. For processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. after processing the service request, a letter of confirmation is issued to the shareholders and is valid for a period of 120 days, within which the shareholder is required to make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialization request within 120 days, then RTA credits those shares in the Suspense Escrow Demat account held by the Company.

Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

The Directors and Company Secretary are severally authorized by the Board to approve transfers, which are noted at the subsequent Board Meetings.

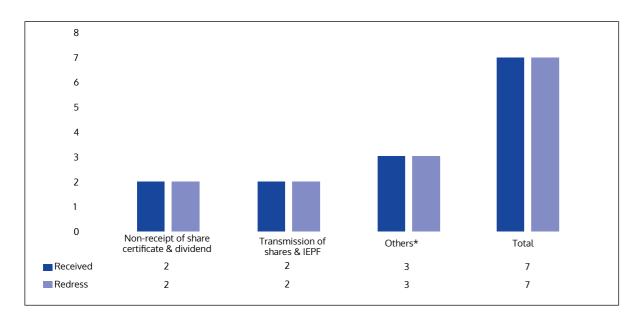
### xiii. <u>Investor Grievance Redressal</u>:

The Compliance Officer and the Investors Service Department of your Company ensure pro-active handling of investor correspondences and redressal of grievances in an expeditious manner.

Upon receipt of all requisite documents, the request of the shareholder is processed within statutory timelines.

Thereafter, any reminder from the shareholder beyond such prescribed timeline is treated as a complaint and is reported to the Stock Exchanges, Stakeholders Relationship Committee and the Board.

During the year under review, your Company received and redressed **7** complaints, details of the same are mentioned hereunder:



\*Includes Non-Receipt of Annual Report, Dividend Advice, etc.

There were no pending complaints as on March 31, 2023.

### xiv. Shareholding as on March 31, 2023:

### a) Distribution of equity shareholding:

Shares From	Shares To	Shareholders (Nos.)	Holders (%)	Shares Held (Nos.)	Holding (%)
0	1,000	6,54,391	96.79	5,78,48,951	2.57
1,001	2,000	10,105	1.49	1,46,44,325	0.65
2,001	5,000	6,572	0.97	2,07,02,737	0.92
5,001	10,000	2,292	0.34	1,63,28,072	0.73
10,001	50,000	1,739	0.26	3,54,03,830	1.58
50,001	1,00,000	237	0.04	1,66,46,725	0.74
1,0	0,001 & above	774	0.11	2,08,56,19,945	92.81
Total		6,76,110	100.00	2,24,71,94,585	100.00

### b) Categories of equity shareholding:

Category	Shareholders (Nos.)	Shareholders (%)	Shares held (Nos.)	Shareholding (%)
Promoter and Promoter Group*		-	77,84,64,497	34.64
Public	6,76,092	100	1,45,95,11,021	64.95
Institutions	1,447	0.21	1,17,56,25,693	52.32
Mutual Funds	321	0.05	27,10,28,205	12.06
Foreign Portfolio Investors	874	0.13	58,61,42,803	26.08
Insurance Companies	136	0.02	30,50,61,076	13.58
Alternate Investment Funds	33	0.00	53,11,973	0.24
Financial Institutions / Banks	30	0.00	44,06,411	0.20
Others	53	0.01	36,75,225	0.16
Central / State Government(s)	7	0.00	51,29,673	0.23
Non-Institutions	6,74,638	99.78	27,87,55,655.00	12.40
Individuals	5,02,841	74.37	11,59,22,599	5.16
Body Corporates	2,741	0.41	87,40,004	0.39
GDRs	2	0.00	8,47,90,344	3.77
Others	1,69,054	25.00	6,93,02,708	3.08
Non Promoter - Non Public	1	0.00	92,19,067	0.41
Total	6,76,110	100.00	2,24,71,94,585	100.00

<sup>\*</sup>Includes 1,45,42,309 GDRs, held by Promoter Group Companies.

### c) Top ten equity shareholders:

Sr. No.	Name of the shareholders*	Equity shares held (Nos.)	Holding (%)
1	IGH Holdings Private Limited	35,00,88,487	15.58
2	Birla Group Holdings Private Limited	22,82,92,308	10.16
3	Life Insurance Corporation of India & its Associate Funds	21,68,23,769	9.65
4	Grasim Industries Limited	8,80,48,812	3.92
5	Morgan Guaranty Trust Company of New York	8,47,90,344	3.77
6	SBI Arbitrage Opportunities Fund	8,63,24,708	3.84
7	Government of Singapore	7,43,70,183	3.31
8	ICICI Prudential Balanced Advantage Fund	5,17,34,795	2.30
9	Pilani Investment Industries Corporation Limited	2,98,57,969	1.33
10	Umang Commercial Company Private Limited	2,73,30,360	1.22

<sup>\*</sup>Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

### xv. Dematerialization of shares and liquidity:

As on March 31, 2023, 98.28% equity shares of the Company are held in dematerialised form.

The break-up of equity shares held in dematerialised and physical form are as under:

Particulars	Shareholders		Shai	res
	Number	%	Number	paid-up capital (%)
NSDL	2,54,817	37.69	2,02,24,73,554	90.00
CDSL	4,10,613	60.73	18,59,81,433	8.28
Physical	10,680	1.58	3,87,39,598	1.72
Total	6,76,110	100.00	2,24,71,94,585	100.00

### xvi. <u>Unclaimed shares</u> [Regulation 39(4) of SEBI Regulations]:

There were no Equity Shares lying in the Unclaimed Suspense Account at the beginning, during and end of the year.

### xvii. Outstanding GDRs / Warrants and Convertible Bonds:

9,93,32,653 GDRs were outstanding as on March 31, 2023. Each GDR represents one underlying equity share. There were no warrants / convertible bonds outstanding as on March 31, 2023.

### xviii. Commodity price risk or foreign exchange risk and hedging activities:

Your Company hedges its foreign currency exposure in respect of its imports and exports as per its policies. Your Company has constituted a Risk Management Committee by the name & style of "Risk Management & ESG Committee" consisting of Directors / Executives of your Company. Your Company has commodity / foreign exchange hedging from time to time considering various factors as per the policy of the Company.

The details as required under SEBI Regulations is as below:

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1. Risk management policy of the listed entity with respect to commodities including through hedging.

The Company has a Risk Management Policy for managing its commodity price risk. The policy captures the objectives of commodity risk management and the treatment of different types of exposures. The policy lists down the hedging

instruments that can be used, the hedge coverage ratios for different tenors and mentions the risk management structure at the Company.

- 2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:
  - a. Total Exposure of the listed entity to commodities in Millions: ₹ 10,74,387.
  - b. Exposure of the entity to various commodities is as below:

Commodity Name	Nature of Risk	Unit of Measurement	Exposure in INR	Exposure in Quantity terms	% (	of such exposure commodity	-	rough	Total
	(Physical)	towards the commodity (₹ in Million)	towards the commodity Dome		Domestic Market		International Market		
					OTC(i)	Exchange	OTC(i)	Exchange	
Aluminium	Sell	MT	3,21,099	13,50,639	-	-	31	-	31
Furnace Oil/ LSHS/LDO	Buy	MT	10,193	1,81,064	-	-	-	-	-
Imported Coal	Buy	MT	7,537	4,57,276	-	-	-	-	-
Copper	Buy	MT	2,79,858	4,25,920	_	_	11	12	23
Copper	Sell	MT	3,17,464	4,40,214			9	21	30
Silver (Oz)	Buy	T/Oz	4,957	26,55,103			100		100
Silver (Oz)	Sell	T/Oz	6,474	35,39,831	-	-	100	-	100
Gold (KG)	Buy	KG	61,509	10,507	-	100	-	-	100
Gold (KG)	Sell	KG	65,297	12,371	-	100	-	-	100

- i. Over the Counter.
- . Table above includes Exposure and % Hedges for FY 23 only. Details of hedges done for future years has not been captured here.
- iii. The table above includes commodities where a liquid derivative market exists.
- iv. The Company has price risk on commodities where an active derivative market does not exist, like Caustic Soda, Aluminum Fluoride, CP Coke, Alumina, Bauxite etc. These Commodities are not included in the table above.
- v. The Company maintains offset hedge book to eliminate the "pricing" timing mismatch for buy and sell position of Copper, Silver and Gold. Accordingly, exposure of copper, buy position and sell position naturally hedged is 57% and 68%, respectively. In case of Copper buy exposure, 20% is not hedged represents unpriced transactions as March 31, 2023, as the same will be hedged as and when they are priced, as per Company's policy. In case of copper Sell exposure, 3% is unpriced transactions as at March 31, 2023, as the same will be hedged as and when they are priced, as per Company's policy. The Company has strategic view-based exposure for Copper, Gold, and Silver. However, the same is not included above as it is a small portion of the overall Copper, Gold & Silver volumes.
- vi. The Company has strategic view-based exposure for Copper, Gold, and Silver. However, the same is not included above as it is a small portion of the overall Copper, Gold & Silver volumes.
- vii. The Company procures part of its Alumina requirement from its wholly owned subsidiary, Utkal Alumina International Limited and the same is not included.

The Company faces commodity price risk on purchase of its raw material as well as on sales of its products. The Company categorizes its price risk in broadly 2 categories - Offset Hedge Exposure and Strategic View Based Exposure. Under the Offset Hedge Program, the Company uses derivative products to eliminate the price risk arising due to timing mismatch whereas for Strategic View Based exposure, derivative instruments are used to manage the price risk for future tenor. Hedging is done for commodities where an active derivative market exists.

### xix. Credit Ratings:

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There was no change in the credit ratings of your Company during the Financial Year.

As on March 31, 2023, the Company had the following credit ratings:

Instrument	Rating	Rating Action	
Long Term Bank Facilities: (Term Loan and Fund based)			
Long Term / Short term Bank facilities: (Non-Fund based)	AA+ Stable		
NCDs		Reaffirmed	
Commercial Paper			

### xx. <u>Details of Unclaimed Dividend:</u>

The details of outstanding unclaimed dividend and corresponding due dates for transfer to IEPF as on March 31, 2023, is as under:

Date of Declaration of Dividend	Financial year	Due date of transfer to IEPF	Amount in ₹*
September 14, 2016	2015-2016	October 21, 2023	73,35,061
September 13, 2017	2016-2017	October 20, 2024	81,34,409
September 21, 2018	2017-2018	October 27, 2025	69,06,648
August 30, 2019	2018-2019	October 7, 2026	62,64,037
September 10, 2020	2019-2020	October 21, 2027	48,88,676
August 23, 2021	2020-2021	October 1, 2028	1,19,20,013
August 23, 2022	2021-2022	September 30, 2029	1,52,82,372

<sup>\*</sup> Excludes ₹ 8.52 Lakhs which is held in abeyance due to legal cases pending.

Shareholders who have not yet encashed their dividend warrants for the years 2015-2016 to 2021-2022 may approach Link Intime with a request letter quoting their Ledger Folio numbers / DP & Client ID along with dividend warrant(s) (if any) and a cancelled cheque leaf for revalidation / claim.

# **xxi.** Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund [Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules")]:

Pursuant to the above requirements the Company transfers to the IEPF Authority, established by the Central Government the dividend amounts, application money, principal amounts of debentures and deposits as well as the interest accruing thereon, sale proceeds of fractional shares, redemption amount of preference shares, etc. remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment from time to time.

Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividend amounts remain unpaid / unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of shares.

The details of the unclaimed equity shares transferred to IEPF during FY23 are as follows:

Change Transformed to IEDE during the const	Total number of shares	Total nominal amount in ₹
Shares Transferred to IEPF during the year	2,73,504	2,73,504

Unpaid and unclaimed dividends / shares up to the financial year 2014-15 have already been transferred to the said Fund. Details of unpaid/unclaimed dividend and equity shares for the financial year 2014-15 are uploaded on the website of the Company as well as that of the MCA. No claim lies against the Company in respect of the unclaimed dividend amount and equity shares transferred to the IEPF, pursuant to the IEPF Rules.

Shareholders can claim both the unclaimed dividend amount and the equity shares from the IEPF Authority by making an application in the manner provided in the IEPF Rules.

The Members who have a claim on above dividends and/or shares are requested to follow the below process:

- 1. Submit self-attested copies of documents provided in the IEPF-5 help kit, which is available on IEPF website (<a href="www.iepf.gov.in">www.iepf.gov.in</a>) to the Company.
- 2. After verification of the aforesaid documents submitted, Company will issue an entitlement letter.
- 3. File Form IEPF-5 on IEPF website and send self-attested copies of IEPF-5 form along with the acknowledgement (SRN), Indemnity bond and entitlement letter to the Company.
- 4. On receipt of the physical documents mentioned above, Company will submit e-Verification report, for further processing by the IEPF Authority.

Members are requested to note that no claims shall lie against the Company in respect of the dividend/shares transferred to IEPF.

### xxii. Details of Nodal and Deputy Nodal Officer:

Sr. No.	Name	Title	Email	Contact
1	Ms. Geetika Anand	Nodal Officer	hillion on the confine of the color	.01.22 ///2 /// //0.47 7000
2	Mr. Mahesh Bhomia	Deputy Nodal Officer	hilinvestors@adityabirla.com	+91 22 6662 6666 / 6947 7000

### xxii. Common and simplified norms for investor service-Updating of PAN, KYC, and Nomination details:

(SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023) ["said Circular"]

SEBI has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN. KYC and Nomination details.

It is mandatory for the shareholders holding securities in physical form to *inter alia* furnish PAN, KYC (Bank details/Contact details i.e., contact number and Email-ID) and Nomination details in Form ISR-1, Form No. SH-13/ISR-3, Form No.SH-14 Physical folios wherein the PAN, KYC and Nomination details are not available on or after October 1, 2023 shall be frozen by the Company and such folios/shareholders will be eligible for lodging any service request or receiving payment including dividend only after registering the required details. The said physical folios shall be referred by the Company under the Prohibition of Benami Property Transactions Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

Shareholders may note that payment of dividend in respect of frozen folio, shall be paid only through electronic mode with effect from April 1, 2024, subject to furnishing of KYC details and Nominations.

The Company has sent individual letters along with related forms to all the members holding shares of the Company in physical form for furnishing their PAN, KYC, and Nomination details. The relevant Circular(s) and necessary forms in this regard have also been made available on the website of the Company at <a href="https://www.hindalco.com/investor-centre">https://www.hindalco.com/investor-centre</a>.

Members are advised to register their details with the Company, in compliance with the said circular for smooth processing of their service requests.

### xxiii. Serving of documents through electronic means [Section 101 and 136 of the Companies Act, 2013]:

Considering the nuances with regard to Sustainability and your Company's continuous endeavor, the Annual Reports and other communications are being served through electronic mode to those shareholders who have registered their e-mail addresses either with the Company or with the depository participant.

Accordingly, shareholders who have not registered their e-mail addresses so far, are requested to register the same, by downloading the Form No. ISR-1, available on the Company's website i.e., <a href="https://www.hindalco.com/upload/pdf/form-no-isr-1.pdf">https://www.hindalco.com/upload/pdf/form-no-isr-1.pdf</a> and submitting the same to the Registered Office of the Company.

### xxiv. Location of Plant and Mines

	Aluminium Facilities	
Renukoot P.O. Renukoot -231217 Dist Sonebhadra, Uttar Pradesh. Tel: (05446) 252077/79 Fax: (05446) 252107/426	Renusagar P. O. Renusagar- 231218 Dist. Sonebhadra, Uttar Pradesh. Tel:(05446)277161-3/278592-5 Fax: (05446) 277164/	Alupuram Extrusions Alupuram, P.B. No.30 Kalamassery - 683 104 Dist: Ernakulam, Kerala. Tel:(0484)2532441-48 Fax: (0484) 2532468
Hirakud Smelter Power Post Box No. 12 Hirakud 768 016, Dist: Sambalpur, Orissa. Tel: (0663) 2481307 Fax: (0663) 2481342/365 Fax: (0663) 2541642	Mahan Hindalco Industries Limited NH-75 E, Singrauli, Sidhi Rd, P.O Bargawan, Pin:486886. Dist: Singrauli MP Tel: 0780-5281014	Aditya Aluminium Hindalco Industries Limited Lapanga, Dist: Sambalpur-768212. Odisha. Tel: 0663-2114424 Fax: 0663-2590434
Taloja Plot 2, MIDC Industrial Area Taloja A.V., Dist : Raigad Navi Mumbai - 410 208, Maharashtra. Tel: (022) 2741 2261, 66292929 Fax: (022) 2741 2430/31	Belur 39, Grand Trunk Road Belurmath 711 202, Dist: Howrah West Bengal. Tel: (033) 2654 7210/12 Fax: (033) 2654 9982/5740	Hirakud FRP Hindalco Industries Limited Hirakud-768016, Dist: Sambhalpur, Odisha. Tel: (0663) 6625000 Fax No(0663) 2481344
Mouda Village Dahali Ramtek Road, Mouda, Nagpur – 441 1104. Tol: (07115) 660777/786	Kuppam 255, 257, 279, Industrial Park, Kuppam, Chitoor, Andhra Pradesh - 517425	

Mouda, Nagpur – 441 1104. Tel: (07115) 660777/786	Industrial Park, Kuppam, Chitoor, Andhra Pradesh - 517425.	
Copper		Chemicals
Birla Copper Division	Muri Alumina	Belagavi
P.O. Dahej, Lakhigam	Post Chotamuri-835 101	Village Yamanapur
Dist. Bharuch – 392 130, Gujarat.	Dist: Ranchi, Jharkhand.	Belgaum 590 010, Karnataka.
Tel: (02641) 256004/06,251009	Tel: (06522) 244253/334	Tel: (0831) 2472716
Fax: (02641) 251002	Fax: (06522) 244342	Fax: (0831) 2472728
	Extrusion	

# Silvassa Extrusion

Fax: (0260) 2677025

Survey No. 11/1
Village Khutli, Khanvel,
Silvassa-396230 U.T. of Dadra & Nagar Haveli.
Tel: (0260) 6618100

	Mines	<u></u>
Chakla Coal Mines Plot 894, Kanchan NagariPO + PS - Chandwa, Dist: Latehar, Jharkhand - 829203. Tel: 0651 2247901	<b>Lohardaga Mines</b> Mines DivisionCourt Road, Dist: Lohardaga 835 302, Jharkhand Tel: (06526) 224112/224015	Samri Mines Hindalco Colony, Baba Chowk Jashpur Mode, P.O: Kusumi 497222, Dist: Balrampur-Ramanujganj. Tel:(07778) 274325
Gare Palma Mines (IV/4 & V/5) Underground Coal Mines Plot 894, Kanchan NagariVillage & Post Milupura, Tehsil Tamnar Dist: Raigarh, Chhattisgarh - 496107. Tel: +91 776 2228212	Kathautia Coal Mine Kathautia Open Cast Coal Mine (Koccm), Village Kathautia P.O Naudiha, PS Pandwa, Dist: Palamau, Jharkhand:822123. Tel: (0651) 2247900	Maliparbat Bauxite Mines 42/1041, Satya Nagar, College Road, Semiliguda, Dist : Koraput, Odisha - 764036. Tel: 07077293606

### xxv. Address for correspondence:

### A. Registered Office

Before June 1, 2023	June 1, 2023, onwards*
Ahura Centre, 1 <sup>st</sup> Floor, B Wing, Mahakali Caves Road,	21st Floor, One International Center, Tower 4,
Andheri (East), Mumbai – 400 093.	Near Prabhadevi Railway Station, Senapati Bapat Marg,
Tel: (91-22) 66917000	Prabhadevi, Mumbai Maharashtra - 400013.
Fax: (91-22) 66917001	Tel: +91 022 6947 7000/6947 7150
E-Mail; hilinvestors@adityabirla.com	Fax: +91 22 6947 7001 / 6947 7090
Website: www.hindalco.com	E-Mail; hilinvestors@adityabirla.com
	Website: www.hindalco.com

<sup>\*</sup> The Board at its meeting held on May 24, 2023, approved change in the registered office of the Company

### B. Link Intime India Private Limited

Details provided in Section 'xi. Registrar and Transfer Agents' of this Report.

# Financial Highlights - Consolidated

											(₹ Crore)
	2022-23@	2022-23@	2021-22@	2020-21@	2019-20@	2018-19@	2017-18@	2016-17@	2015-16@	2014-15	2013-14
Profitability	US\$ in Mn *										
Sales and Operating Revenues	27,791	223,202	195,059	131,985	118,144	130,542	115,820	102,631	101,202	106,696	90,007
Less: Cost of Sales	24,943	200,328	166,557	114,311	103,794	115,042	101,899	90,183	92,387	97,751	81,72
Operating Profit	2,848	22,874	28,502	17,674	14,350	15,500	13,921	12,448	8,815	8,944	8,286
Other Income	157	1,257	1,136	1,222	1,186	1,127	1,105	1,111	1,189	1,105	1,017
Less: Depreciation, Amortization and Impairment	908	7,294	6,884	6,766	5,135	4,766	4,607	4,469	4,507	3,591	3,553
Less: Interest and Finance Charges	454	3,646	3,768	3,738	4,197	3,778	3,911	5,742	5,134	4,178	2,702
Profit before Share in Equity Accounted Investments, Exceptional Items and Tax	1,643	13,191	18,986	8,392	6,204	8,083	6,508	3,348	362	2,280	3,049
Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)	1	9	6	5	4	-	(125)	(25)	172	175	67
Profit before Tax and Exceptional Items	1,644	13,200	18,992	8,397	6,208	8,083	6,383	3,323	534	2,455	3,116
Exceptional Income/(Expenses) (Net)	5	41	582	(492)	(284)		1,774	(8)	(577)	(1,940)	(396)
Profit/ (Loss) before Tax from Continuing Operations	1,649	13,241	19,574	7,905	5,924	8,083	8,157	3,315	(43)	515	2,720
Less: Tax Expenses	391	3,144	5,373	2,723	2,157	2,588	2,074	1,433	498	256	525
Profit/ (Loss) from Continuing Operations	1,258	10,097	14,201	5,182	3,767	5,495	6,083	1,882	(541)	258	2,195
Profit/ (Loss) from Discontinued Operations (Net of Tax)	_	-	(471)	(1,699)	-	-	-	-	(161)	-	-
Profit/ (Loss) before Non-Controlling Interest	1,258	10,097	13,730	3,483	3,767	5,495	6,083	1,882	(702)	258	2,195
Less: Non-Controlling Interest in Profit/ (Loss)	-	-	-	-	-	(1)	-	(18)	(451)	(596)	20
Net Profit/ (Loss) for the Period	1,258	10,097	13,730	3,483	3,767	5,496	6,083	1,900	(251)	854	2,175
Business Reconstruction Reserve (BRR) #											
Expenses adjusted against BRR (Net of Tax)	-	-	-	-	-	-	-	-	682	97	86
Profit/ (Loss) for the Period had the expenses not adjusted against BRR	1,258	10,097	13,730	3,483	3,767	5,496	6,083	1,900	(933)	757	2,089

# **Financial Position**

22,207	182,450	169,911	157,052	140,334	130,142	125,094	121,186	123,522	101,940	87,914
937	7,700	4,945	10,202	7,721	4,098	2,063	1,814	4,214	14,111	23,059
8,742	71,824	63,037	56,783	51,139	44,283	40,006	36,499	37,849	29,981	26,750
14,402	118,326	111,819	110,471	96,916	89,957	87,151	86,501	89,887	86,070	84,223
1,718	14,116	14,119	17,133	9,411	9,012	10,781	15,157	12,438	12,346	12,961
(1,118)	(9,188)	(11,856)	(11,794)	(12,407)	(9,581)	(8,497)	(6,737)	(8,859)	(7,235)	(6,924)
3,639	29,898	27,354	16,711	31,664	20,538	17,499	14,961	15,074	16,571	18,289
18,641	153,152	141,436	132,521	125,584	109,926	106,934	109,882	108,540	107,752	108,549
7,100	58,335	63,234	65,978	67,257	52,416	52,074	63,817	67,552	68,467	66,163
1	11	11	10	10	9	9	6	381	956	1,781
11,540	94,806	78,191	66,533	58,317	57,501	54,851	46,059	40,607	38,329	40,605
	937 8,742 14,402 1,718 (1,118) 3,639 18,641 7,100	937 7,700 8,742 71,824  14,402 118,326 1,718 14,116 (1,118) (9,188) 3,639 29,898 18,641 153,152 7,100 58,335 1 11	937 7,700 4,945 8,742 71,824 63,037  14,402 118,326 111,819 1,718 14,116 14,119 (1,118) (9,188) (11,856) 3,639 29,898 27,354 18,641 153,152 141,436 7,100 58,335 63,234 1 11 11	937         7,700         4,945         10,202           8,742         71,824         63,037         56,783           14,402         118,326         111,819         110,471           1,718         14,116         14,119         17,133           (1,118)         (9,188)         (11,856)         (11,794)           3,639         29,898         27,354         16,711           18,641         153,152         141,436         132,521           7,100         58,335         63,234         65,978           1         11         11         10	937         7,700         4,945         10,202         7,721           8,742         71,824         63,037         56,783         51,139           14,402         118,326         111,819         110,471         96,916           1,718         14,116         14,119         17,133         9,411           (1,118)         (9,188)         (11,856)         (11,794)         (12,407)           3,639         29,898         27,354         16,711         31,664           18,641         153,152         141,436         132,521         125,584           7,100         58,335         63,234         65,978         67,257           1         11         11         10         10	937         7,700         4,945         10,202         7,721         4,098           8,742         71,824         63,037         56,783         51,139         44,283           14,402         118,326         111,819         110,471         96,916         89,957           1,718         14,116         14,119         17,133         9,411         9,012           (1,118)         (9,188)         (11,856)         (11,794)         (12,407)         (9,581)           3,639         29,898         27,354         16,711         31,664         20,538           18,641         153,152         141,436         132,521         125,584         109,926           7,100         58,335         63,234         65,978         67,257         52,416           1         11         11         10         10         9	937         7,700         4,945         10,202         7,721         4,098         2,063           8,742         71,824         63,037         56,783         51,139         44,283         40,006           14,402         118,326         111,819         110,471         96,916         89,957         87,151           1,718         14,116         14,119         17,133         9,411         9,012         10,781           (1,118)         (9,188)         (11,856)         (11,794)         (12,407)         (9,581)         (8,497)           3,639         29,898         27,354         16,711         31,664         20,538         17,499           18,641         153,152         141,436         132,521         125,584         109,926         106,934           7,100         58,335         63,234         65,978         67,257         52,416         52,074           1         11         11         10         10         9         9	937         7,700         4,945         10,202         7,721         4,098         2,063         1,814           8,742         71,824         63,037         56,783         51,139         44,283         40,006         36,499           14,402         118,326         111,819         110,471         96,916         89,957         87,151         86,501           1,718         14,116         14,119         17,133         9,411         9,012         10,781         15,157           (1,118)         (9,188)         (11,856)         (11,794)         (12,407)         (9,581)         (8,497)         (6,737)           3,639         29,898         27,354         16,711         31,664         20,538         17,499         14,961           18,641         153,152         141,436         132,521         125,584         109,926         106,934         109,882           7,100         58,335         63,234         65,978         67,257         52,416         52,074         63,817           1         11         11         10         10         9         9         6	937         7,700         4,945         10,202         7,721         4,098         2,063         1,814         4,214           8,742         71,824         63,037         56,783         51,139         44,283         40,006         36,499         37,849           14,402         118,326         111,819         110,471         96,916         89,957         87,151         86,501         89,887           1,718         14,116         14,119         17,133         9,411         9,012         10,781         15,157         12,438           (1,118)         (9,188)         (11,856)         (11,794)         (12,407)         (9,581)         (8,497)         (6,737)         (8,859)           3,639         29,898         27,354         16,711         31,664         20,538         17,499         14,961         15,074           18,641         153,152         141,436         132,521         125,584         109,926         106,934         109,882         108,540           7,100         58,335         63,234         65,978         67,257         52,416         52,074         63,817         67,552           1         11         11         10         10         9         9 <td< td=""><td>937         7,700         4,945         10,202         7,721         4,098         2,063         1,814         4,214         14,111           8,742         71,824         63,037         56,783         51,139         44,283         40,006         36,499         37,849         29,981           14,402         118,326         111,819         110,471         96,916         89,957         87,151         86,501         89,887         86,070           1,718         14,116         14,119         17,133         9,411         9,012         10,781         15,157         12,438         12,346           (1,118)         (9,188)         (11,856)         (11,794)         (12,407)         (9,581)         (8,497)         (6,737)         (8,859)         (7,235)           3,639         29,898         27,354         16,711         31,664         20,538         17,499         14,961         15,074         16,571           18,641         153,152         141,436         132,521         125,584         109,926         106,934         109,882         108,540         107,752           7,100         58,335         63,234         65,978         67,257         52,416         52,074         63,817         67,552</td></td<>	937         7,700         4,945         10,202         7,721         4,098         2,063         1,814         4,214         14,111           8,742         71,824         63,037         56,783         51,139         44,283         40,006         36,499         37,849         29,981           14,402         118,326         111,819         110,471         96,916         89,957         87,151         86,501         89,887         86,070           1,718         14,116         14,119         17,133         9,411         9,012         10,781         15,157         12,438         12,346           (1,118)         (9,188)         (11,856)         (11,794)         (12,407)         (9,581)         (8,497)         (6,737)         (8,859)         (7,235)           3,639         29,898         27,354         16,711         31,664         20,538         17,499         14,961         15,074         16,571           18,641         153,152         141,436         132,521         125,584         109,926         106,934         109,882         108,540         107,752           7,100         58,335         63,234         65,978         67,257         52,416         52,074         63,817         67,552

											(₹ Crore)
	2022-23@	2022-23@	2021-22@	2020-21@	2019-20@	2018-19@	2017-18@	2016-17@	2015-16@	2014-15	2013-14
Net Worth represented by :											
Equity Share Capital	27	222	222	222	222	222	223	223	205	207	206
Other Equity:											
Share Warrants	-	-	-	-	-	-	-	-	-	-	6
Equity Component of Compound Financial Instruments	-	4	4	4	4	4	4	4	3	-	-
Reserves and Surplus	10,186	83,692	73,860	59,717	55,577	52,599	47,644	41,770	36,443	38,122	40,393
Other Comprehensive Income	1,325	10,888	4,105	6,590	2,514	4,676	6,980	4,062	3,956	-	-
	11,538	94,806	78,191	66,533	58,317	57,501	54,851	46,059	40,607	38,329	40,605

### **Ratios and Statistics**

	Unit	2022-23@	2021-22@	2020-21@	2019-20@	2018-19@	2017-18@	2016-17@	2015-16@	2014-15	2013-14
Operating Margin	%	10.25	14.61	13.39	12.15	11.87	12.02	12.13	8.71	8.38	9.21
Net Margin	%	4.52	7.04	2.64	3.19	4.21	5.25	1.85	(0.25)	0.80	2.42
Gross Interest Cover ^	Times	6.43	7.49	4.73	3.57	4.37	3.86	2.36	1.91	1.95	1.85
Net Interest Cover^^	Times	6.62	7.87	5.06	3.70	4.40	3.84	2.36	1.95	2.41	3.44
ROCE^^^	%	11.43	16.61	9.40	8.83	10.94	9.61	8.32	5.08	5.97	5.66
ROE	%	11.67	18.97	5.58	6.51	9.78	12.06	4.39	(0.64)	2.16	5.73
Basic EPS	₹	45.42	61.73	15.66	16.94	24.67	27.30	9.22	(4.55)	4.14	10.91
Diluted EPS	₹	45.36	61.65	15.65	16.93	24.66	27.29	9.22	(4.55)	4.13	10.91
Cash EPS ^^^	₹	78.24	92.69	46.07	40.03	46.07	47.98	30.91	20.78	21.53	28.73
Capital Expenditure (Cash outflow)	₹ Crore	9,842	5,426	5,565	6,791	6,005	3,001	2,938	4,245	5,978	9,424
Debt Equity Ratio	Times	0.64	0.82	0.99	1.15	0.91	0.95	1.39	1.66	1.79	1.63
Book value per Share	₹	421.79	347.87	296.07	259.56	256.07	244.33	205.32	196.64	185.61	196.67

- \* Balance Sheet items are translated at closing exchange rate and Profit and Loss items are translated at average exchange rate.
- \*\* Including Intangible assets under development
- # Financial restructuring scheme formulated by the Company under the provisions of the Companies Act, approved by the Bombay High Court, to deal with various costs associated with its organic and inorganic growth plan.
- Figures for FY 2022-23, FY 2021-22, FY 2020-21, FY 2019-20, FY 2018-19, FY 2017-18, FY 2016-17 and FY 2015-16 are as per Ind AS compliant financial statements. Previous periods figures are as per Previous GAAP financial statements.
- ^ Gross interest coverage ratio is calculated as Operating Profit plus Other Income divided by Interest and Finance Charges plus Finance costs transferred to Capital Work-in-Progress/ Intangible Assets under development
- ^^ Net interest coverage ratio is calculated as Operating Profit plus Other Income divided by Interest and Finance Charges.
- ^^^ Earnings before Interest and Taxes/ Average Capital Employed
- ^^^^ Cash EPS is calculated as Profit/ (Loss) for the year plus Depreciation, Amortization and Impairment divided by Weighted average numbers of equity shares

# Financial Highlights - Standalone

											(5	₹ Crore)
	2022-23	2022-23@	2021-22@	2020-21@	2019-20@	2018-19@	2017-18@	2016-17@	2015-16@	2014-15	2013-14	2012-13
Profitability	US\$ in Mn *											
Sales and Operating Revenues	9,572	76,878	67,653	42,701	40,242	45,749	43,446	39,383	36,713	36,869	30,101	28,070
Less: Cost of Sales	8,641	69,403	56,360	38,467	36,578	41,503	38,322	34,569	33,367	33,453	27,609	25,866
Operating Profit	931	7,475	11,293	4,234	3,664	4,246	5,124	4,814	3,346	3,417	2,492	2,204
Other Income	73	586	535	650	739	940	948	1,005	979	882	1,124	983
Less: Depreciation, Amortization and Impairment	240	1,927	1,847	1,848	1,708	1,693	1,617	1,428	1,282	837	823	704
Less: Interest and Finance Charges	162	1,300	1,417	1,469	1,679	1,683	1,901	2,323	2,390	1,637	712	436
Profit before Exceptional Items and Tax	602	4,834	8,564	1,567	1,016	1,810	2,554	2,068	653	1,825	2,081	2,047
Exceptional Income/ (Expenses) (Net)	5	41	(107)	7	(64)	-	(325)	85	-	(578)	(396)	-
Profit/ (Loss) before Tax from Continuing Operations	607	4,875	8,457	1,574	952	1,810	2,229	2,153	653	1,247	1,685	2,047
Less: Tax Expenses	193	1,549	2,950	581	332	605	793	596	99	322	272	347
Profit/ (Loss) from Continuing Operations	414	3,326	5,507	993	620	1,205	1,436	1,557	554	925	1,413	1,699
Profit/ (Loss) from Discontinued Operations (Net of Tax)	-	-	-	-	-	-	-	-	(2)	-	-	-
Profit/ (Loss) for the Period	414	3,326	5,507	993	620	1,205	1,436	1,557	552	925	1,413	1,699
Business Reconstruction Reserve (BRR) #												
Expenses adjusted against BRR (Net of Tax)	-	-	-	-	-	-	-	-	682	97	86	-
Profit/ (Loss) for the Period had the expenses not adjusted against BRR	414	3,326	5,507	993	620	1,205	1,436	1,557	(130)	828	1,327	1,699

### **Financial Position**

Gross Fixed Assets (excluding CWIP)	6,536	53,703	52,507	51,080	50,296	48,898	48,264	46,742	43,316	35,434	26,804	15,073
Capital Work-in-Progress (CWIP) **	364	2,987	1,581	1,709	1,282	982	737	712	3,079	10,744	17,277	23,605
Less: Accumulated Depreciation, Amortization and Impairment	2,629	21,600	20,207	18,690	16,928	15,376	13,900	12,358	11,063	9,374	8,749	7,975
Net Fixed Assets	4,271	35,090	33,881	34,099	34,650	34,504	35,101	35,096	35,332	36,804	35,332	30,703
Investments	3,623	29,766	29,655	31,731	24,639	25,495	27,025	29,332	27,311	21,251	21,907	20,482
Other Non-Current Assets /(Liabilities) (Net)	(453)	(3,725)	(3,473)	(2,365)	(2,223)	(1,565)	(708)	516	(1,038)	(1,193)	(1,174)	(751)
Net Current Assets	1,176	9,666	13,444	6,528	11,478	9,658	8,330	9,539	9,230	9,400	8,339	8,409
Capital Employed	8,617	70,797	73,507	69,993	68,544	68,092	69,748	74,483	70,835	66,262	64,404	58,843
Less: Loan Funds	1,498	12,308	19,079	19,929	23,050	19,534	20,297	27,150	28,676	29,007	27,672	24,871
Net Worth	7,119	58,489	54,428	50,064	45,494	48,558	49,451	47,333	42,159	37,255	36,732	33,972

											(	₹ Crore)
	2022-23	2022-23@	2021-22@	2020-21@	2019-20@	2018-19@	2017-18@	2016-17@	2015-16@	2014-15	2013-14	2012-13
Net Worth represented by :												
Equity Share Capital	27	222	222	222	222	222	223	223	205	207	206	191
Other Equity:												
Share Warrants	-	-	-	-	-	-	-	-	-	-	-	541
Reserves and Surplus	6,272	51,531	49,178	44,310	43,482	43,285	42,497	41,235	36,568	37,049	36,526	33,240
Other Comprehensive Income	820	6,736	5,028	5,532	1,790	5,051	6,731	5,875	5,386	-	-	-
	7,119	58,489	54,428	50,064	45,494	48,558	49,451	47,333	42,159	37,255	36,732	33,972

### **Ratios and Statistics**

	Unit	2022-23@	2021-22@	2020-21@	2019-20@	2018-19@	2017-18	2016-17 @	2015-16@	2014-15	2013-14	2012-13
Operating Margin	%	9.72	16.69	9.92	9.11	9.28	11.79	12.22	9.11	9.27	8.28	7.85
Net Margin	%	4.33	8.14	2.33	1.54	2.63	3.31	3.95	1.50	2.51	4.70	6.05
Gross Interest Cover ^	Times	5.98	8.20	3.29	2.62	3.08	3.18	1.73	1.81	1.75	1.50	1.61
Net Interest Cover	Times	6.20	8.35	3.32	2.62	3.08	3.19	2.51	1.81	2.63	5.08	7.31
ROCE	%	8.50	13.91	4.38	3.94	5.07	6.18	6.04	4.44	5.30	4.53	4.71
ROE	%	5.89	10.54	2.08	1.32	2.46	2.97	3.48	1.39	2.50	4.00	5.15
Basic EPS	₹	14.96	24.76	4.46	2.79	5.41	6.45	7.56	(0.64)	4.48	7.09	8.88
Diluted EPS	₹	14.94	24.73	4.46	2.79	5.41	6.45	7.55	(0.64)	4.48	7.09	8.87
Cash EPS ^^	₹	23.66	33.07	12.77	10.47	13.01	13.70	14.49	8.95	8.53	11.22	12.55
Dividend per Share ##	₹	3.00	4.00	3.00	1.00	1.20	1.20	1.10	1.00	1.00	1.00	1.40
Capital Expenditure (Cash outflow)	₹ Crore	2,726	1,506	1,137	1,395	1,263	1,178	1,041	1,399	2,073	3,458	5,531
Debt Equity Ratio	Times	0.22	0.36	0.40	0.51	0.40	0.41	0.57	0.68	0.78	0.75	0.73
Book value per Share	₹	260.23	242.16	222.84	202.49	216.25	220.28	211.00	204.16	180.41	177.92	177.44
Market Capitalisation \$	₹ Crore	91,196	127,976	73,433	21,502	46,145	48,166	43,756	18,162	26,638	29,266	17,538
Number of Equity Shareholders	Nos.	676,110	503,729	348,471	332,014	304,345	299,521	319,783	392,888	338,655	361,686	441,166
Number of Employees	Nos.	21,440	21,151	20,971	22,477	22,865	23,555	23,679	24,118	21,976	20,902	20,238
Average Cash LME (Aluminium)	US\$	2,490	2,769	1,802	1,749	2,035	2,046	1,688	1,592	1,888	1,773	1,976
Average Cash LME (Copper)	US\$	8,551	9,691	6,879	5,855	6,337	6,451	5,152	4,852	6,556	7,103	7,855

- \* Balance Sheet items are translated at closing exchange rate and Profit and Loss items are translated at average exchange rate.
- \*\* Including Intangible assets under development
- # Financial restructuring scheme formulated by the Company under the provisions of the Companies Act, approved by the Bombay High Court, to deal with various costs associated with its organic and inorganic growth plan.
- ## Proposed/Interim Dividend for the Period
- @ Figures for FY 2022-23, FY 2021 -22, FY 2020-21, FY 2019-20, FY 2018-19, FY 2017-18, FY 2016-17 and FY 2015-16 are as per Ind AS compliant financial statements. Previous periods figures are as per Previous GAAP financial statements.
- \$ including Treasury shares held by the Company
- ^ Gross interest coverage ratio is calculated as Operating Profit plus Other Income ivided by Interest and Finance Charges plus Finance costs transferred to Capital Work-in-Progress/ Intangible Assets under development.
- ^^ Cash EPS is calculated as Profit/ (Loss) for the year plus Depreciation, Amortization and Impairment divided by Weighted average numbers of equity shares.