Co-creating VALUE

Bharat Aluminium Company Limited
Annual Report 2021-22

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Disclaimer:

This report covers the reporting period from 1 Apr 2021 to 31 Mar 2022 and provides 360° information on Bharat Aluminium Co Ltd (BALCO), a subsidiary of Vedanta Limited. This report aims to provide a concise explanation of BALCO's performance, strategy, operating model, business outputs and outcomes using a multi-capital approach. It includes measures of engagement with identified material stakeholder groups and outlines the organisation's governance framework. This report contains information that we believe is of interest to our stakeholders and presents a discussion around matters that can impact our ability to create value over the short, medium and long term. This report should be read in conjunction with the annual accounts to gain a complete picture of BALCO's financial performance. The financial statements in our report have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and have been independently audited by S.R. Batliboi & Co. LLP. The Independent Auditors' Report for the financials forms an integral part of this report.

CO-CREATING VALUE

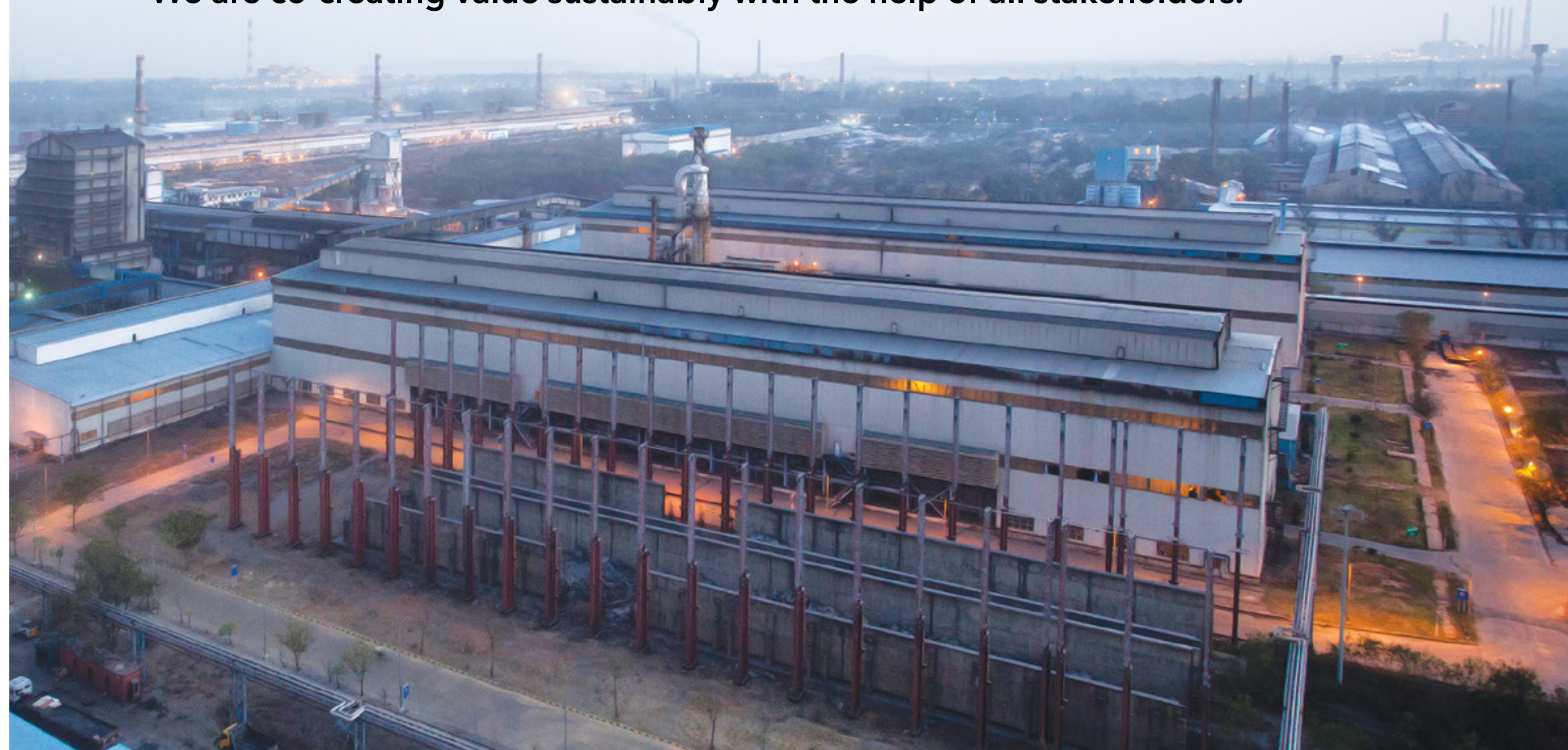
India's infrastructure growth story is now poised at a very interesting sweet spot. The government is putting significant emphasis on building advanced infrastructure and upgrading legacy assets in order to accelerate economic growth, which was adversely impacted by the pandemic.

Our country's aluminium industry plays an important role in the country's economy and infrastructural development. As one of the largest players in the aluminium sector, we see a huge opportunity to grow as India's infrastructure and consumption story gradually gathers momentum.

Despite the challenges posed by the pandemic, we enhanced our operational efficiency, set new benchmarks and accomplished new milestones of performance in the fiscal year 2021-22.

We have aligned our growth strategies with the United Nation's Sustainable Development Goals, so that our value creation efforts are more inclusive and sustainable, where every stakeholder becomes a part of our progress.

We are co-creating value sustainably with the help of all stakeholders.



ABOUT US

BALCO is a leading aluminium producer and plays an active role in developing the Indian economy and the aluminium industry. Introduced as India's first public sector undertaking (PSU) in 1965, BALCO now is an essential participant in offering aluminium as a viable replacement to other metals, such as steel in construction and copper in the power transmission business.

Through decades of collaboration, commitment, and planning, BALCO has maintained its service and has become the world's leading manufacturer and supplier of high-quality aluminium. At BALCO, we are united by a fundamental principle of Trust, where our stakeholders and local communities can work together to create a more sustainable future. We believe in sharing and caring for our employees and have served all of our stakeholders and our community through our corporate ethics, sustainability policies, and strong balance sheet.

Our Vision

To be a world class integrated aluminium and power producer, generating sustainable value for all stakeholders.

Our Legacy

Bharat Aluminium Company Limited (BALCO) remains the first integrated Indian aluminium manufacturer, established in 1965, engaged in mining, smelting, fabricating and selling aluminium products, primarily in India and internationally.

CORE VALUES

Integrity

We place utmost importance to engaging ethically and transparently with all our stakeholders and believe in being accountable for our actions to maintain the highest standards of professionalism and additionally, comply with international policy and procedures.

Respect

We lay great emphasis on human rights, respecting the principle of free, prior, informed consent. Our engagement with our stakeholders gives local communities the opportunity to voice their opinion and concerns.

Excellence

Our primary focus is delivering value of the highest standard to our stakeholders. We are constantly motivated on improving cost and our quality of production in each of our businesses through a culture of best practice benchmarking.

Care

As we continue to grow, we are committed to the triple bottom line of People, Planet and Prosperity to create a sustainable future in a zero-harm environment for our communities.

Innovation

We inculcate a conducive environment for innovation that leads to a zero-harm environment, exemplifying optimal utilisation of our natural resources, improved efficiencies, and recoveries of by-products.

Trust

We actively foster a culture of mutual trust in our interaction with our stakeholders and encourage an open dialogue, which ensures mutual respect.

Entrepreneurship

At Vedanta, our people are our most important assets. We actively encourage their development and support them in pursuing their goals.

CERTIFICATIONS

Our operations are certified with domestic and international certifications in recognition of quality, safety and environment.

Quality management system conforming to ISO 9001:2015

Environment management system conforming to ISO 14001:2015

Energy Management system ISO 50001:2018

Occupational Health and Safety Management Series conforming to ISO 45001:2018

Information Security Management System (ISMS) conforming to ISO/IEC 27001:2013

BALCO Coal quality assurance laboratory is the National Accreditation Board for Testing and Calibration Laboratories (NABL) confirming to ISO/IEC 17025:2017

IATF 16949:2016 is the International Standard for Automotive Quality Management Systems. [The IATF is a group of automotive manufacturers and their respective trade associations, formed to provide improved quality products to automotive customers worldwide. It is a common automotive quality system requirement based on ISO 9001, and customer specific requirements from the automotive sector.]

CHAIRMAN'S MESSAGE

We worked at the operational efficiency of 95%, which is about 0.4% greater than the previous year. In addition to that, we accomplished many of our targets, set new benchmarks and completed the year by making a profit of INR 2,736 crore and cash and cash equivalent (including investment) of INR 742 crore.

72,440

Beneficiaries reached through COVID relief activities.

14000+

Sanitization Kits distributed

71,000

masks were stitched by **122** women of SHG groups who earned INR. **3.5 lacs.**

Dear shareholders,

I am delighted to present our Company's results for the fiscal year 2021-22. The year proved to be difficult for BALCO, but we survived it with optimism and enthusiasm. We all experienced a worldwide health crisis throughout the year and saw devastating effects on the global economy.

The danger of a pandemic halted economies, disrupted trade policies, and disrupted geopolitical activities, all of which impacted the global aluminium industry's market flow and price policy. Despite the obstacles, we, at Balco remained focused on our commitment and strived to deliver our strategic targets in order to develop a more robust firm.

We kept our people, staff, and community at the top of our priority list during these trying times, and ensured their safety.

Our performance

Despite many challenges faced this year, we worked at the operational efficiency of 95%, which is about 0.4% greater than the previous year. In addition to that, we accomplished many of our targets, set new benchmarks and completed the year by making a profit of INR 2,736 crore and cash and cash equivalent (including investment) of INR 742 crore. In the year under review, our aluminium production grew from 5,69,608 KT to 5,81,675 KT, and our hot metal production reached 5,80,425 MT.

With our resolution to share healthy returns with our stakeholders, I am delighted to announce that our Company has performed exceptionally in FY22. Our RoA reached 25.29% and RoE was at 36%. We also enhanced our EPS to INR 124.02 in the FY22.

Standing for the society

With the help of our well-defined sustainable development framework, we plan to serve our people and keep our motto in alignment with the UN-Sustainable Development Goals (UN-SDG). During the year, we made an expenditure of INR 39.95 crore towards our CSR initiatives. Our initiatives benefited nearly 1.65 lakh people in the field of education, sustainable livelihoods, women's empowerment, health, water & sanitation, sports & culture, environment, and community asset creation. Our CSR efforts have been directed towards 123 villages in four districts of Chhattisgarh i.e. Korba, Kawardha, Surguja and Baloda Bazar. The projects are carried out in partnership with the NGOs, local communities and Government.

Additionally, our Occupational health and safety management systems are ISO: 9001:2015, ISO 45001:2018 and ISO 14001:2015 certified to ensure the safety and well-being of our internal as well as external stakeholders.

Company's fight against Covid

As the second & third wave of the Covid hindered with the normal, once again, BALCO swiftly mobilized to provide relief work to people in times of crisis. **72,440** people were reached through various initiatives taken by BALCO.

Primary level

Through continuous awareness drives in all the nearby communities the fear of Covid was contained, along with this sanitization drive was run covering nearby communities. 14000+ Sanitization kits each having Masks, Soap and Sanitizer bottle were distributed in nearby communities. For this more than 71,000 masks were stitched by 122 women of SHG groups who earned INR. 3.5 lacs.

Secondary level

Support was provided to district administration in the form of Medicines, Oximeters, Thermal Guns and Ventilators to tackle increasing cases of Covid.

Tertiary level

At state level a 100 bedded Field Hospital was setup in Raipur to provide tertiary level care during pandemic.

A brighter horizon

We are hopeful about the future, and we expect that the current pandemic threat will be reduced shortly, allowing our firm to develop into a more resilient organisation. I am confident that we will continue expanding our operations, enhancing our operational efficiency, and fulfilling our purpose of delivering to our customers, shareholders, and all stakeholders who have placed their trust in us.

We extend our heartfelt gratitude towards our board members, investors, consumers, internal team, vendors and all our stakeholders. We will continue to strengthen the trust that we have built through our uninterrupted service, strong leadership and resilient strategies.

Warm regards,

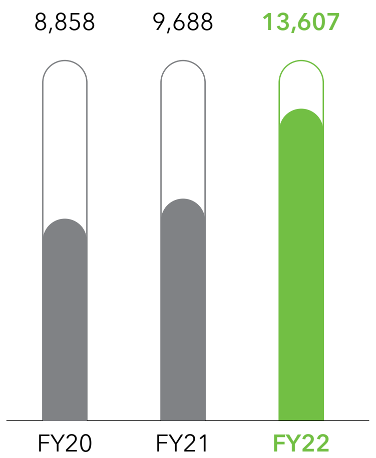
S. K. Roongta

Chairman

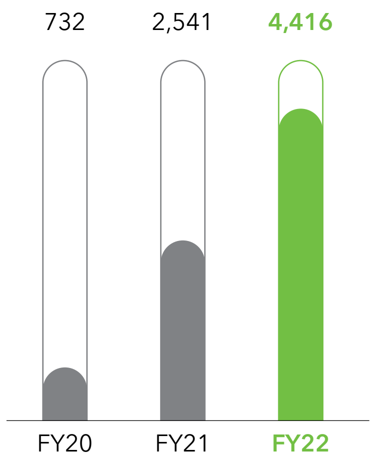
PERFORMANCE HIGHLIGHTS

Financial performance

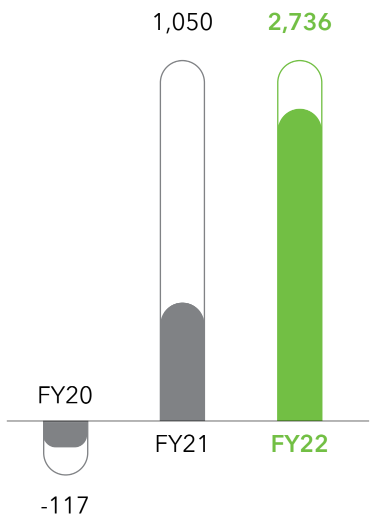
Revenue from operations
(INR In Crore)



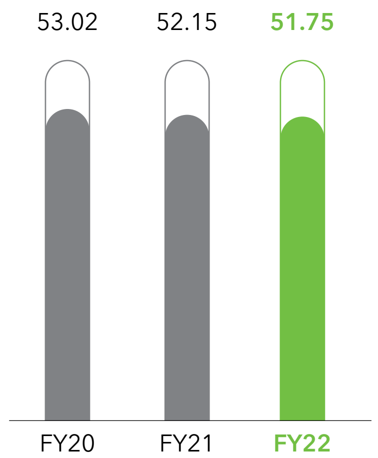
EBITDA
(INR In Crore)



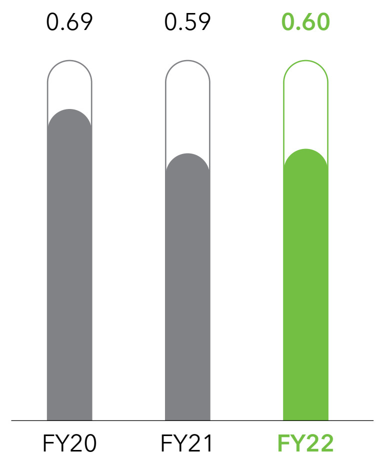
PAT
(INR In Crore)



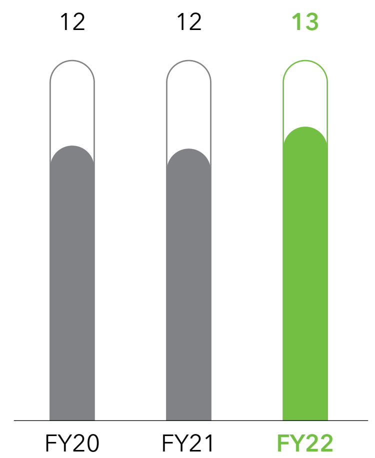
Energy consumption
(in GJ/MT)



Water consumption
(in m3/MT)

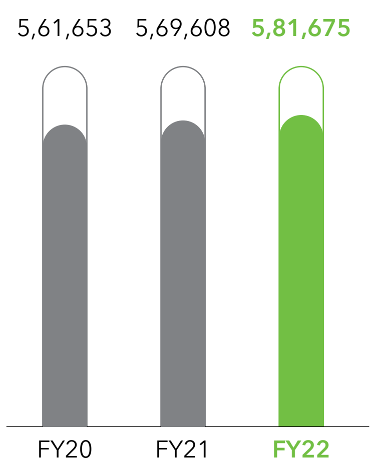


Women workforce
(% of total)

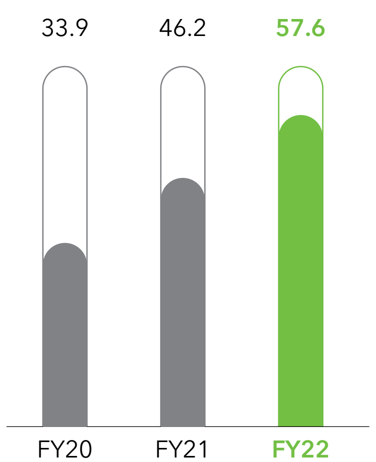


Operational Performance

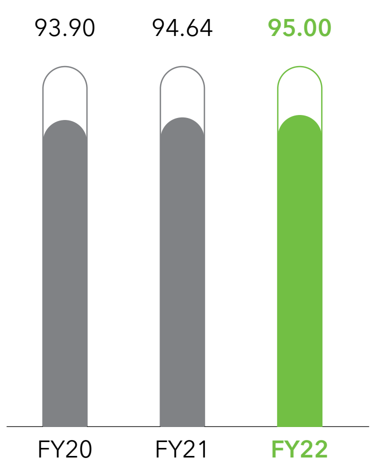
Production
(in MT)



PFA production
(in KT)



Current efficiency
(%)

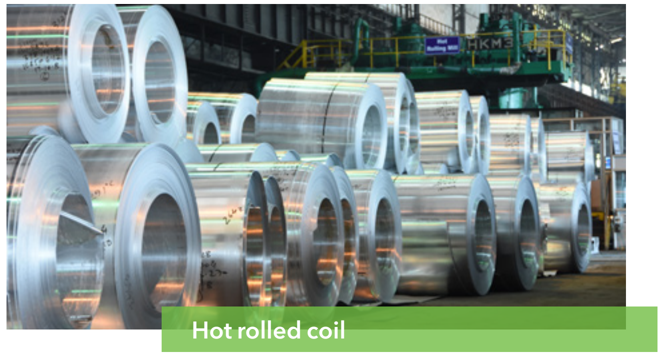


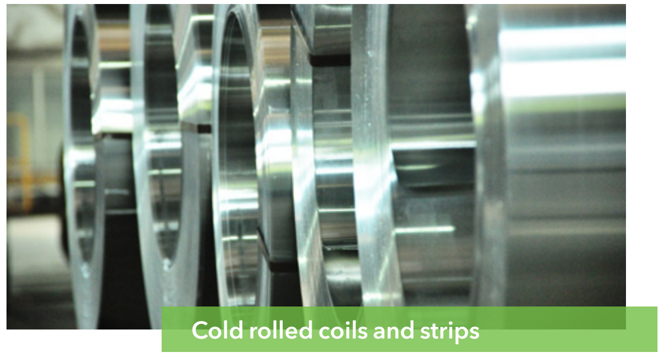
OUR PRODUCT PORTFOLIO

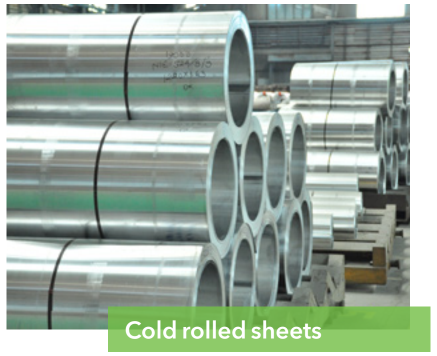
Our state-of-the-art plants and processes can produce a wide range of aluminium products. BALCO's products can primarily be categorised into two major segments – primary and rolled products.

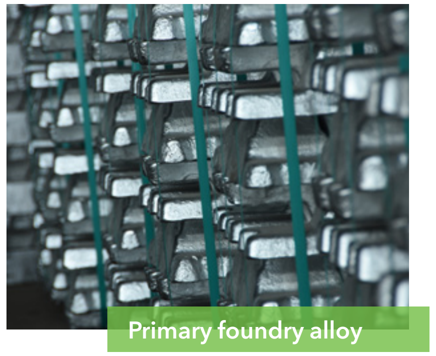
Primary products

Rolled products





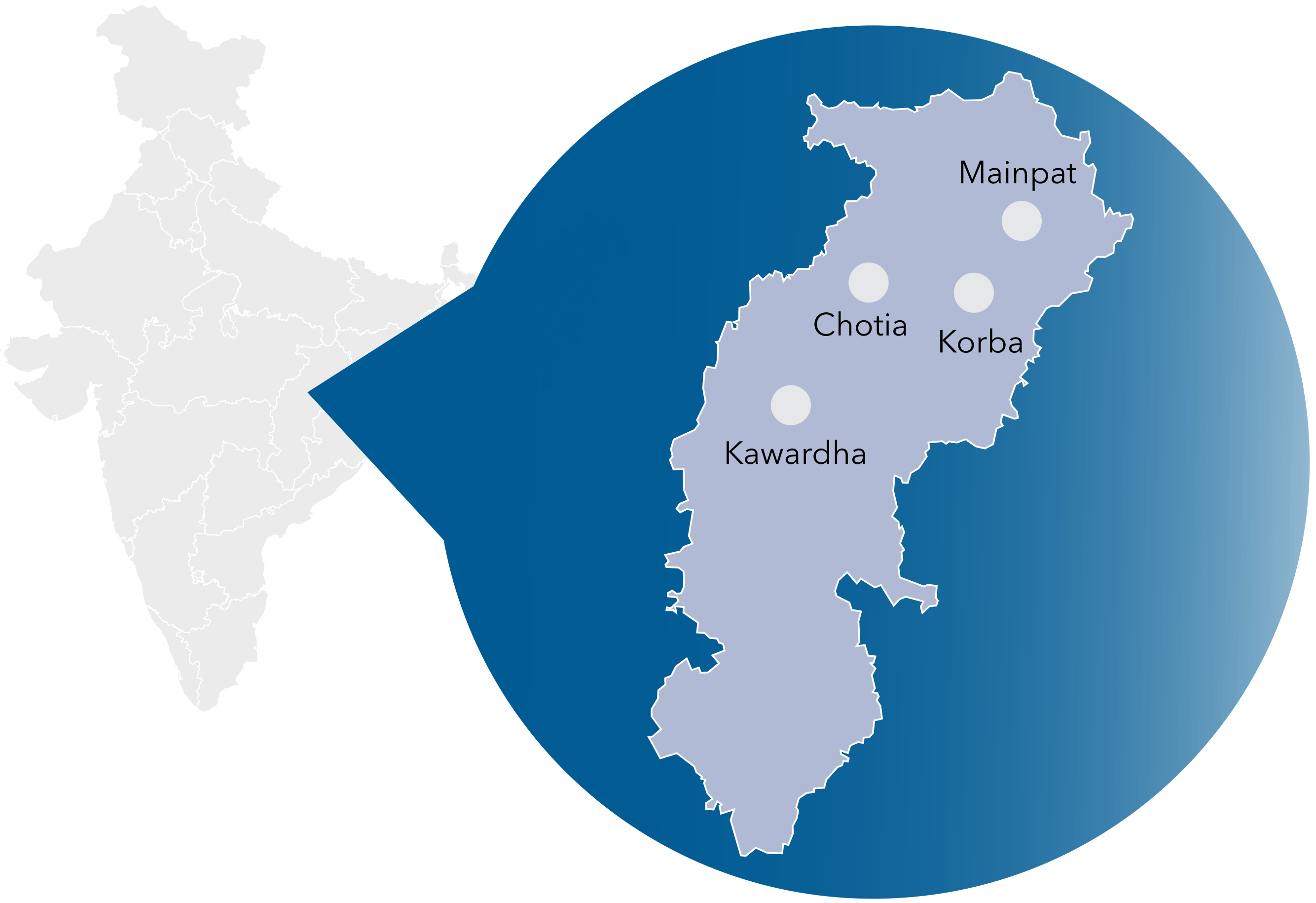




OUR DIVERSE PRESENCE

The Indian aluminium industry is undoubtedly one of the most important industries for our country's economy and infrastructural development. We are proud to be an integral contributor by being one of the largest aluminium producers in the Indian aluminium industry and playing a crucial role in making aluminium a preferred metal with several downstream applications.

Our manufacturing factories are located in Korba (Chhattisgarh), while our bauxite mines are in Kawardha and Mainpat, and our coal mine is in Chotia.



BUILDING PROCESS EXCELLENCE

Digitisation, innovation, technology and excellence are among the fundamental pillars of Vedanta. BALCO is committed to building a world-class organisation driven by innovation, advanced technology and benchmark processes that enable our culture to Empower, Engage and Inspire.

AR/VR for ESG and Digital Training

With its focused commitment to ensuring ESG and digital excellence, BALCO launched a futuristic initiative – the XR experience zone, which showcases AR, VR and MR technologies-based training centres.

Hot Spot Detection System

In continuance of its journey towards automation and digitisation, we introduced a combination of high-end technology and indigenous innovations. Our **hot spot detection system for coal yard using thermal image processing** project offers thermal inspection of coal yard to capture hot spots and real-time alarm for spontaneous combustion occurring in coal yard Piles. It is aimed to detect the heated location and give a warning in advance about any temperature rise above 70°C in the yard so that we can take subsequent action to prevent combustion inside coal piles.

Boiler Tube Leakage Prediction

We, at Balco completed the project for boiler tube leakage prediction using AI/ML Pulse edge, which offers a more reliable and evidential boiler thermal profile prediction analysis method. It is designed to give early indications of prone to leakages resulting in subsequent actions to prevent and avoid the boiler tube leakages.

Furthermore, we developed a mobile application to optimise internal technologies. Vehicle utilisation by RFID system installed at all strategic check points and soft GPS features using IoT.

Privilege Access Management system (PAM)

Privilege access management is a cybersecurity strategy to control, monitor, secure and audit all identities across an IT environment. Data breaches are almost always the result of compromised endpoints and privileged credentials. That's why monitoring and protection of privileged accounts has become crucial. Implementing least-privilege security on the endpoint is also mission-critical, as local administrator rights are prime targets for cyber criminals. To thoroughly protect sensitive data, controls need to be in place that keep both endpoints and privileged credentials secure.

HUMAN CAPITAL

We believe that the capability of our employees is the key to our success thus we are committed to provide necessary human resource development and training prospects. This is likely to equip our employees with additional skills, which enable them to adapt to contemporary technological advancements.

We consider our people to be our most valuable assets, and we are determined to offer all our employees a safe and healthy work environment.

We align our business goals with individual goals and provide overall development, emphasising upskilling and equipping them with the ability to maximise the opportunities available within the ecosystem of our Company.

A healthy ecosystem

Creating and nurturing a good office environment entails a variety of aspects, primarily revolving around a business culture that supports a healthy work-life balance. Across our value chain, we employ many people, either directly or indirectly. Given the scope of our activities, there is an inherent danger of human rights breaches, which might hurt our reputation. As a result, we bear responsibility and accountability for safeguarding human rights throughout our value chain, including our operations, supplier chain, communities, and commercial connections.

Our Code of Conduct establishes a set of guiding principles, and our employees are subjected to regular Code of Conduct training. The e-learning portal is used to launch online awareness modules of mandatory sessions on Code of Conduct Business Ethics and Whistle-Blower Policy, ABAC, Anti-Trust Guidance Laws and Human Rights, which now have a 100% coverage. The e-learning portal further drives awareness among employees on the many facets of POSH law.

	FY 21-22	Diversity%
Fresher	51	43
Lateral	14	29
On Transfer	19	26
Total	**84**	**37**

HUMAN CAPITAL

Training and development

At BALCO, we hold training and development closely related to our employee's development and is critical for our Company's growth and success as it improves employee efficiency and helps them in being more innovative and productive. Throughout the year, we provide a variety of training programmes to help upskill our employees. Recruits participate in a month-long SBU-based induction programme to learn about the Company's processes, policies, and procedures. We ensure that our recruits transition from their campus to the corporate with the help of various inductions.

Likewise, existing professionals receive extensive training in various topics relating to technical and behavioural traits. Behavioural training dives into programmes to increase the quality of life and achieve a work-life balance. Parts of managerial and leadership abilities are also imparted.

Furthermore, we encourage our employees to constantly equip themselves with the emerging technologies to improve their efficiency to optimise our processes, reduce errors and streamline information exchange. In addition, we offer online courses, and employees have complete access to all learning materials. In the year under review, we have had a lot of training and developments programmes targeted towards our employees, such as:

01

A total of 20 e-learning modules active and cross functional training sessions across group

02

More than 50 internal and over 15 external learning sessions conducted

03

Training session on gender sensitisation

04

Training session on New Me, We Care (health and hygiene) for diversity employees

05

Self-defence training session by Fitcom

06

Finance, ESG, marketing, commercial, legal, quality, CC, PR, CSR, rolled product and management functional act up

07

Identified 8 business and 14 technical STARS

08

Role elevation and recognition given to 186 identified leaders across various talent development initiative

Average man-days of training achieved in FY22:

6.80

Executives

2.80

Workmen

0.50

Contract workers

312

Comprehensive training interventions

Diversity and inclusion

We, at Balco strive to bring a positive change and effectively contribute in building a meritocratic society, one which will be Balco free of discrimination, in terms of age, gender, race, colour, biological challenges, marital status, country, caste, or religion.

Under the umbrella of diversity and inclusion, we have always believed in providing equal opportunity to everyone (D&I). To support this, Vidya Rajput, a transgender rights activist who has been advocating for transgender rights, collaborated for transgender participation at BALCO.

To turn words into actions, we have employed four transgender people and placed in Business Partner roles, where they are contributing to our Company's operational and organisational success. M/S Gear India employs transgender individuals in forklift operations. The project began with hiring four transgender people and will eventually expand to twenty.

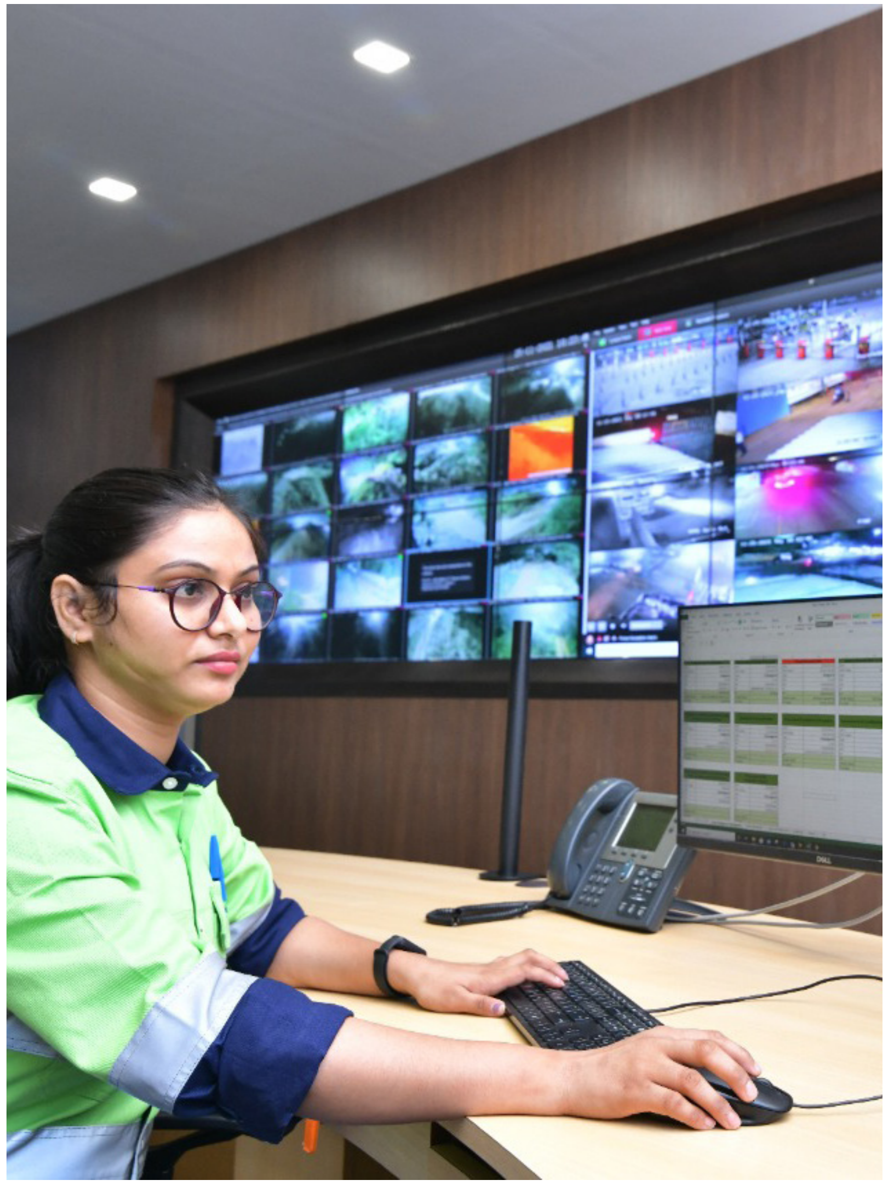
163

Female employees

Occupational health and safety

In the interest of all the stakeholders, we, at Balco try to establish a sustainable business model by laying a strong emphasis on employee protection in the workplace from accidents, injuries, and exposure to harmful substances. We frequently hold safety training for our personnel to increase their awareness and behavioural safety (Chetna). Additionally, the Vedanta Sustainability Assurance Programme provides training for specific work responsibilities such as Emergency preparedness and response through DGFASLI. In case of prolonged absence (considered when taken for more than 90 days), employees are provided with the upgraded safety and well-being training courses.

Among the various initiatives taken in the path to health and safety, the following events were organised during the year:



- Nukkad Natak on machine guarding and isolation safety to drive awareness at site
- Inauguration of the AR/VR training centre
- Sashakt Suraksha Card started for empowering shop-floor employees.

0.24

Lost time injury frequency rate (LTIFR)

1

Fatality

SOCIAL AND RELATIONSHIP CAPITAL

At BALCO, we are committed to act as a responsible citizen and contribute meaningfully to the improvement of our communities. We take this responsibility seriously and endeavour to fulfil our role in a manner that upholds the dignity of all our stakeholders and allows us to live up to our values.

INR **39.95 crore**
Total amount spent on CSR initiatives

1.65 lakh
People benefitted from CSR activities

123
Villages in four districts of Chhattisgarh i.e. Korba, Kawardha, Surguja, and Baloda Bazar covered

Our approach

BALCO CSR works towards a larger goal of creating enduring value for the communities it works in. Towards that end, we undertake various community programmes as part of our Corporate Social Responsibility (CSR). The Company has committed to align its CSR activities to the priorities of its neighbourhood communities and the national priorities. CSR programs are spread across various thematic areas i.e., Education, Sustainable Livelihoods, Health, Water & Sanitation, Women's Empowerment, Environment & Safety, Sports & Culture, and Community Asset Creation including community development.

Education

Project Connect

The right to quality education is at the heart of our Education programme. We are committed to providing quality education to children and improving their learning outcomes. By quality education, we mean that we focus on learning outcomes of children The Project focuses on improving the learning environment in nearby government schools by creating an enabling environment with focus on improvising Students Grades, Teacher's Capacity Building, Career Counselling and Employee Volunteerism. During the year, 1,447 students in 5 Govt. schools benefitted through regular and remedial classes for 9th – 12th class on SEMA subjects.

1,447
Students Benefitted

SOCIAL AND RELATIONSHIP CAPITAL

Sustainable livelihoods

Mor Jal Mor Maati

The project focusses on augmenting irrigation facilities, equipping farmers with latest farming techniques and promoting multi-cropping to reduce the dependence on rainfall, improving the surface water management with existing resources and ensuring income generation round the year.

1,024

Farmers impacted in **11 villages**

40%

Farmers adopting crop diversification

75%

Farmers practising modern agriculture techniques like Systematic rice intensification (SRI) and systematic wheat intensification (SWI)

30%

Increase in Average Annual Income of Farmers.

Capacity Building sessions of FPO (Farmer Producer Organizer) established under project with over 400 farmers as members were done. Multiple exposure cum learning visits were organized both within and outside Chhattisgarh for farmers to understand FPO management and business development for agricultural produce. this FPO started its own Input Centre (Shop for selling Agri input such as seeds, Manure and Farming tools).

Vedanta Skill School

The surging economy of India requires huge manpower to maintain the momentum of growth, especially from rural India. Looking at the opportunity, BALCO, in collaboration with Social Empowerment & Economic Development Society , has established three skill schools - namely the Vedanta Skill School in Korba, Mainpat and Kawardha regions of Chhattisgarh. We aim to impart vocational skills free of cost to rural youth drop-outs and unemployed population, and help find employment opportunities for them.

594

Youth trained in FY22

73%

Placed in 18 reputed organisations

Women empowerment

Project Unnati

Inclusivity is an important part of our CSR vision, and we are committed to the idea of gender equality and empowerment of women and girls. Gender inclusivity is enabled through focused initiatives and policies, and we empower women through our 'Project Unnati'. This initiative aims to mobilise and empower women into Self Help Groups (SHGs) and develop their capabilities in skill development and entrepreneurship.

We have so far constituted around 458 SHGs (90 new SHGs during FY22) with membership of 5066 women. Additionally, we also provide Income Generation Activities (IGA) to these women (961 women engaged in income generation activities). On occasion of International Women's Day **"Unnati Mahotsav"** was celebrated with community women on the theme **#breakthebias**. Event celebrated with participation of 400+ SHG women from 45 communities with enthusiastic performances by women and girls depicting local dance forms and plays on social issues.

Highlight of the program was, Balco recognizing the efforts of 3 State Level achievers and 10 Local Level Women/ Girl Achievers who have achieved significant positions by breaking the biases or done innovative work in social space.

5,066

Women empowered

458

SHG groups

SOCIAL AND RELATIONSHIP CAPITAL

Healthcare

Our focus is to bring quality healthcare services to the doorsteps of the underprivileged and to promote healthcare awareness and good hygiene standards for our communities.

Nayi Kiran- Project Menstrual Health Management

The project focuses on creating awareness and capacity building of women and adolescent girls on hygienic practices during menstruation. During the year, the program sensitized over 33,377 women, men, adolescent Girls & Boys through awareness, sensitization & capacity building sessions. As a step ahead, capacity building & leadership sessions done with 60 adolescent girls' group, 60 self-help group women & 60 frontline workers to make the torchbearers in community on spreading right message on safe menstrual health practices. Additionally, as a bold step, project involved "Men in Menstruation", in this 60+ Adolescent boys capacitated on understanding of Menstruation. 4 Swastha Suvidha Kendra were also started in villages which are serving as the one stop solution for Menstrual problems and place for conducting session at village level being run by leaders of our adolescent girls' group.

33,000+

Women, men, girls, and boys sensitised

Men in Menstruation

60+ Adolescent boys capacitated on understanding of menstruation

Project Arogya

With this initiative, we aim to target issues related to healthcare and support community interventions in Primary Healthcare along with creating awareness on various seasonal and non-seasonal diseases. Thereby, specific emphasis is laid on TB, HIV, Malaria and Maternal & Child Health to create a disease-free community for healthy living.

Under maternal & child health, developed **150 nutrition garden and trained 500 mothers on recipes from Take Home Ration (THR)** for better consumption & improving nutrition levels of Mother & Child.

Revived & Capacitated, 21 Mahila Arogya Samiti & 11 Village Health, Sanitation & Nutrition Committee (health bodies in communities) covering 600 PRI members & local health workers for better convergence & leveraging.

28,000+

Beneficiaries

Mobile Health Van

The Mobile Health Van (MHV) is structured to provide Healthcare at the doorstep of the ailing. In view of the same, BALCO in partnership with HelpAge India launched MHV program. This MHV is serving our nearby 45 communities/areas and addresses the problems of inaccessibility to, inability to afford and non-availability of basic essential health care in community. Multispecialty (Orthopedics, Dental, ENT, Pediatrics, Gynaec, Blood & Sugar etc.) mega health camp organized benefitting 177 people.

5,500+

Benefitted through MHV

Balco Medical Centre (BMC)

We aim to envisage a society where everybody lives free a cancer-free life. Thereby, we run an NGO under the name Balco Medical Centre (BMC), a 170-bed tertiary oncology facility - a flagship initiative of the Vedanta Medical Research Foundation (VMRF). We aim to bring ultra-modern, multi-modality diagnostic and therapeutic facilities within easy reach of India's population at a reasonable and affordable cost. It is located in Naya Raipur, Chhattisgarh where we see patients from all geographies.

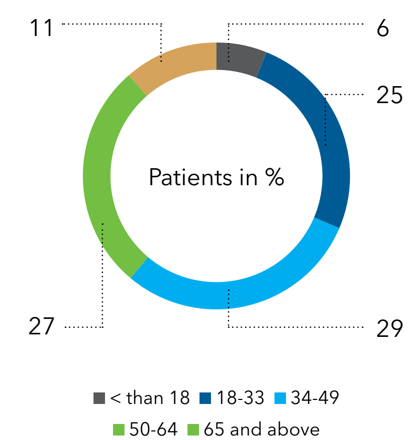
12,000

Beneficiaries

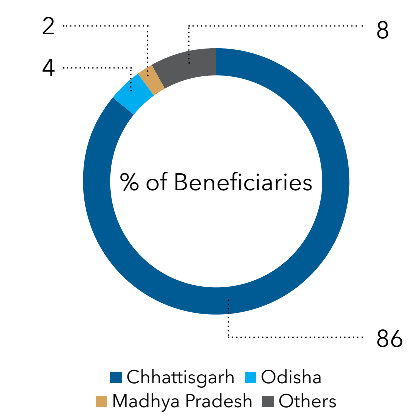
INR 72.70 crore

BMC Operational Expense

Age groups (in years)



State wise beneficiaries



ESG INITIATIVES AND RELATIONSHIP CAPITAL

Fly Ash Rake

Under Vedanta's Waste-to-Wealth drive, BALCO is continuously striving towards its endeavor to achieve 100 % fly ash utilization. BALCO has been constantly pursuing to achieve Vedanta's larger vision of being the ESG leader and setting benchmarks in the industry. BALCO is already associated with Cement industries in the vicinity through road mode and is seeking to achieve economies of scale and enterprise solution, which is environment friendly as well as cost-effective. Recently, BALCO has ventured into supplying the conditioned fly ash through rake. It is the first ever CFA Rake of Vedanta's Aluminium Sector and has been dispatched to Ambuja Cement (Lafarge Holcim India). As the global manufacturing principles rapidly evolve to become more sustainable, there are immense opportunities in the future for industrial collaboration to foster circular economy.

Diversity & Inclusion

BALCO is the first industry in Chhattisgarh state and one among a few industries in the country to offer growth opportunities to the members of transgender community. The induction of four transgender members is just the starting of a long journey of establishing global benchmarks towards creating a highly inclusive and diverse workplace.

BALCO is committed to follow the path of transforming workplace for good and consistently strives to undertake endeavors that expedite and strengthen this transformation process. On the heels of this notion, the transgender members were inducted in the BALCO family by conducting a workshop that witnessed participation of more than 400 employees, exemplifying the high acceptance of transgender community in our workplace.

The initiative is a step towards introducing a social change in the society towards creating an environment of equality, non-discrimination and equal opportunities for all. Talent has no classification on the basis of caste, creed or gender and if acknowledged rightly can contribute towards the relentless growth and progress of nation.

AR/VR Safety Training

BALCO has launched a futuristic initiative – XR experience zone which will showcase AR, VR and MR technologies based training center. For first module we are launching an interactive learning Zone for Safety, which is a two pronged attempt to fulfil our major commitments. Leveraging VR will enable us to create immersive, intuitive and engaging learning platform while providing a safe environment for training. It will also enable easy data management, effective training and engagement of workers in safety induction using digital technology.

BOARD OF DIRECTORS

1

Mr. S. K. Roongta
Chairman

2

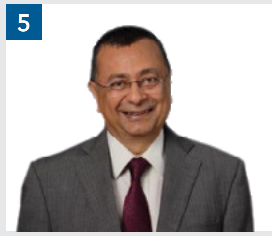
Mr. Abhijit Pati
CEO & Whole Time Director

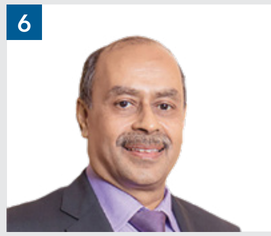
3

Mr. Tarun Jain
Director

4

Mr. Mustaq Ahmad
Government Nominee Director

5

Mr. D.D. Jalan
Independent Director

6

Mr. Arun Todarwal
Independent Director

7

Ms. Nirupama Kotru
Government Nominee Director

8

Mr. Shakil Alam
Government Nominee Director

1 Mr. Sushil Kumar Roongta
Chairman

Mr. Sushil Kumar Roongta, has been on the Board of the Company since 31st January 2012 and as Chairman of the Company since 17th Oct 2014. He has done his BE (Electrical) from BITS Pilani and is a gold medalist in PGDBM (International Trade) from IIFT, New Delhi. He is also a fellow member of All India Management Association. Mr Roongta holds important positions in various apex chambers. Mr. Roongta is a Member of National Executive Committee of FICCI and National Council of ASSOCHAM and a Jury Member for various prestigious awards including Lakshmipat Singhania – IIM Lucknow Leadership Awards, BML Munjal Awards for excellence in learning and development, ICWAI National Awards for Excellence in Cost Management, AIMA Awards etc.

He is the recipient of a number of awards including SCOPE gold awards for Excellence & Outstanding Contribution to the Public Sector Management – Individual Category from 2007 to 2008. He is also a member of Corporate Social Responsibility and Nomination & Remuneration Committee of Board.

2 Mr. Abhijit Pati
Chief Executive Officer and Whole time Director

Mr. Abhijit Pati joined as Whole Time Director and CEO of Bharat Aluminium Company Limited on 19th July, 2019. He is member of CSR Committee and Finance Standing Committee of Bharat Aluminium Company Limited. Mr. Abhijit Pati started his career with Indian Aluminium Company (subsidiary of ALCAN in Indian Aluminium Company) in the year 1989. After working with Hindalco for years with numerous laurels, he joined Vedanta in 2008, as the COO of one of the largest Greenfield Aluminium cum Power complexes of the world at Jharsuguda, Odisha. Mr. Pati was elevated to the position of the President and CEO, Aluminum & Power Business of Vedanta Limited (Jharsuguda) from March'12.

Mr. Abhijit Pati holds MBA degree from International Management Institute (IMI), New Delhi (Gold Medalist) and B Tech (Chemical Engineering) from Institute of Science & Technology, Calcutta University.

3 Mr. Tarun Jain
Director

Mr. Tarun Jain, has been on the Board of the Company since March 2, 2001. He is member of Audit Committee and Finance Standing Committee of the Company. Mr. Jain has over 26 years of experience in the corporate finance, audit and accounting, tax and secretarial practice, strategic financial matters, including corporate finance, corporate strategy, business development and mergers and acquisitions.

He is a fellow member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India, besides being a Graduate of the Institute of Cost and Works Accountants of India. He is also on the Board of Vedanta Medical Research Foundation, AART Ventures Pvt. Ltd., AART Corporate Advisors Pvt. Ltd. and was also on the Board of Vedanta Limited, Hindustan Zinc Limited and MALCO Energy Limited.

4 Mr. Mustaq Ahmad
Government Nominee Director

Mr. Mustaq Ahmad is an officer of Indian defence account service of 2006 batch. He was appointed on Board of Balco w.e.f. 20th August, 2020. He holds bachelor and master's degree in Law from the University of Delhi. He has held various assignments in the Ministry of Defence (Finance) and served in Ladakh, Jammu, and Delhi. Prior to joining Ministry of Mines, he was Sr. Dy. CGDA(Admin) in the HQs of Defence Accounts Department. Presently he is a Director in the Ministry of Mines.

5 Mr. D.D. Jalan
Independent Director

Mr. D.D. Jalan, aged about 64 years is a Chartered Accountant and has vast expertise of over 41 years in financial management, corporate negotiations, financial control, business planning, due diligence, business development, treasury, capital raising, business structuring, investor relations, commercial, taxation, people development and strategic planning. Mr. D.D. Jalan is pursuing an entrepreneurial stint and promoting start-ups through angel network. He is also an Independent Director on some of the prominent Boards. In his previous role, he was the Group Chief Financial Officer of Vedanta Resources Plc and an Executive Director and CFO of Vedanta Ltd till his superannuation in Sept 2016. He is Chairman of Audit Committee and Nomination & Remuneration Committee of Board of Company.

6 Mr. Arun Todarwal
Independent Director

Mr. Arun Todarwal is a Chartered Accountant & has been in practice since1981. He is Managing Partner of M/s. Arun Todarwal & Associates LLP, Chartered Accountants. He is a Member of the UK 200 Group, a national affiliation of Chartered Accountant firms throughout United Kingdom. He has rich and varied experience in management consulting, finance, and audit, spanning over four decades He is an Independent Director in several listed companies. He is Chairman of Corporate Social Responsibility Committee of Board of Company.

7 Ms. Nirupama Kotru
Government Nominee Director

Ms. Nirupama Kotru, JS&FA, Ministry of Coal (MoC) (additional charge Ministry of Mines) has been appointed as government nominee Director in Balco on 4th August 2021. She is also on Board of Hindustan Zinc Limited.

Ms. Nirupama Kotru is an officer of the Indian Revenue Service (Income Tax) of the 1992 batch. Born on 28 January 1969, Nirupama Kotru has done her BA in Economics (Hons.) from St. Stephen's College, Delhi University, and MA in Politics & International Relations from School of International Studies, Jawaharlal Nehru University, Delhi. Ms. Kotru has served in the Income Tax Department at Mumbai, Chennai, Delhi and Pune in various assignments and was involved in setting up of International Taxation Directorate of the Income Tax Deptt. As Director (E Governance) in the Ministry of Corporate Affairs, she administered the award-winning MCA21 corporate filing system. She was also instrumental in setting up the Indian Institute of Corporate Affairs at Manesar.

As Director (Films) in the Ministry of Information & Broadcasting, she looked after the administration of media units such as NFDC, Films Division, National Film Archive and the Directorate of Film Festivals, and all policy matters relating to films. Until recently she was posted as Joint Secretary in the Ministry of Culture, Govt of India. She brings with her varied experience in different fields of administration as well as taxation.

8 Mr. Shakil Alam
Government Nominee Director

Mr. Shakil Alam, Economic Advisor, Ministry of Mines was appointed as Government Nominee Director on the Board of the Company on 4th August 2021. He is also on the Board of Hindustan Copper Limited.

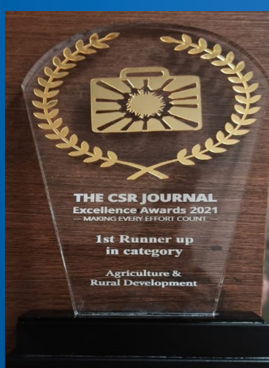
Mr. Alam is MSc (Hon) in Economics and Master of Mgmt Studies from BITS Pilani and belong to the Indian Economic Service (IES) batch of 2001. He has also worked in the department of Ministry of Skill Development & Entrepreneurship, Department of Economic Affairs, President's Secretariat, Department of Disinvestment and Ministry of Labour & Employment.

AWARDS AND RECOGNITION

'Best work place for women'
by ET NOW

Golden Peacock Award
for Energy Efficiency - 2021

Greentech Foundation -
Excellence in corporate governance



The CSR Journal Excellence Award
for Agriculture and Rural Development

SABERA Award, 2021-
"Responsible Business of the year"

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 56th Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the financial year ended 31st March 2022 is summarised below:

₹ Crore

Particulars	FY 22	FY 21
Turnover	**13,607**	**9,688**
EBITDA	**4,416**	**2,541**
Depreciation	570	478
Other income (net of expenses)	(153)	(37)
Operating profit before finance Cost	3,999	2,099
Finance Cost	229	427
Exceptional Item	215	(95)
Profit/(loss) before tax	**3,556**	**1,767**
Tax Expense	820	717
Profit/(loss) after tax	**2,736**	**1,050**
Other comprehensive income/(loss)	(17)	(46)
Total comprehensive income/(loss)	**2,720**	**1,004**
Paid up Equity Share Capital	221	221
Opening Reserves	**4,732**	**3,728**
Debenture Redemption Reserve	-	50
Capital Reserve	9	9
Other Free Reserves	4,722	3,669
Transfer to DRR from free reserves	-	(50)
Other receipts in Free reserves	-	-
Closing Reserves	**7,451**	**4,732**
Debenture redemption Reserve	-	-
Capital reserve	9	9
Other Free Reserves	7,442	4,722

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

1. OVERVIEW AND STATE OF THE COMPANY'S AFFAIRS

During the Financial Year 2021-22:

Financial

a. During the financial year 2021-22, revenue from operations increased to ₹ 13,607 Crore as against ₹ 9,688 Crore in the previous year – a growth of 40 %.

b. Achieved ever highest EBIDTA of ₹ 4,416 Cr primarily on account higher realisation on LME and operational efficiency.

c. Cost of goods sold as a percentage to revenue from operations decreased to 58 % as against 61 % in the previous year.

d. The Profit before Tax for the current year is ₹ 3,556 Cr against profit of ₹ 1,767 Cr in the previous year on account of higher EBIDTA.

e. Finance Cost for the current year is ₹ 229 Cr against ₹ 427 Cr in FY 21- a reduction of 46%

f. Loan of ₹ 1,151 Cr prepaid during FY 22.

Operational

a. Achieved highest ever sales volume of 5,81,512 MT.

b. Highest ever Potline production of 580.4 kT against 568.5 kT (FY20-21)

c. Best ever current efficiency of 95% achieved as against previous best of 94.6% (FY20-21).

d. Lowest ever Specific Power Consumption of 13647 kWh/MT against 13769 kWh/MT (FY20-21). Potline-1 having achieved the lowest SPC of 13441 kWh/MT.

e. Lowest ever Net Carbon consumption of 413 kg/MT against 414 kg/MT (FY20-21).

f. Higher A-category pots of 87.77% against 85% (FY20-21).

g. FLA production 5,81,674 MT.

h. Highest ever Cast House production of 505 kT against 496 kT (FY20-21).

i. Metal intake increased from 28052 MT per month (FY20-21) to 29480MT per month (FY21-22).

j. Highest ever Rolled product production 33 kT against 30 kT (FY20-21).

k. Achieved lowest ever anode weight of 1019 Kg/Mt.

l. Achieved Lowest Boiler Outage due to tube leakage at CPP540MW (3 nos.) in last 7 seven years.

m. Highest ever yearly Ash Utilization of 124%

- With the vision of diversity and inclusion in workplace, BALCO has enhanced employment to transgender in the organization.
- BALCO is recognized among India's Best Workplaces in Manufacturing 2022 by Great place to work
- Mr. Abhijit Pati (CEO) awarded 'Leading Director' by GreenTech Foundation.
- Mr. Pankaj Kumar Sharma (Dy. CEO) awarded 'Business leader of the Year' by World HRD Congress.

2. COVID STRATEGY

Throughout the financial year ended 31st March 2022, the global coronavirus (COVID-19) pandemic caused significant economic and social disruption worldwide. Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19. You will be happy to know that your Company has taken a pro-active approach to keep our assets and people safe while ensuring continuity of business.

Most of our operations were continuing during the lockdown period being 'essential' or 'continuous' in nature. Our focus during these times have been to ensure that we operate optimally with lowest possible cost of production.

Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

3. EXPORTS

The aluminium exports during the financial year (2021-22) is 2,85,380 MT, generating revenue of ₹ 6,313.02 Cr. (including export incentive of ₹ 29.72 Cr.).

4. CONTRIBUTION TO GOVERNMENT EXCHEQUER

During the FY 2021-22, Company has contributed ₹ 3,536 Cr. to State and Central Government treasury as compared to contribution of ₹ 2,424 Crore made in FY 2020-21.

5. TRANSFER TO RESERVE

The Company has transferred NIL to General Reserves for the financial year ended on 31st March 2022. An amount of ₹ 7,451 Cr is retained in the retained earnings.

6. DIVIDEND

Your Directors wish to conserve resources for future expansion and growth of the Company. The Board of

Directors of your company has decided that it would be prudent, not to recommend any Dividend for the financial year under review.

7. CREDIT RATING

Your Company's credit rating is AA (pronounced as ICRA double A) Outlook Stable for the long-term borrowing of the Company, rated by ICRA Limited. The detail of credit rating is available on the website at: https://www.balcoindia.com/

8. HEALTH, SAFETY & ENVIRONMENT

In line with the principle of sustainable development, the Company continues to focus on Health, Safety & Environment as one of its focus areas of business. The Company is certified by IRQS for IATF 16949:2016 and by Bureau Veritas for ISO 9001:2015, ISO 14001: 2015 and ISO 50001:2018 and ISO 45001: 2018 certifications.

The Key highlights for year 2021-22 are as under:

- SI (MBRD) reporting by all executives & front line in-charges & supervisors of the business partners. Total 1421 VFL round and 61455 safety interactions carried out in Balco.

  LTIFR & TRIFR for FY 2021-22 is 0.24 & 0.77, respectively.
- Highest ever Near Miss (5100) reporting.
- GRI & DJSI Assurance audit completed
- Ergonomic Assessment Conducted for employees and business partners
- Training Programmes on Ergonomic conducted
- Third Party Industrial hygiene study conducted.
- BALCO Dispatches its First Ever Fly Ash Rake
- Fire study of BALCO by competent 3rd party
- Automation of alumina tanker hatch opening/closing.
- Business Partner VSAP internal audit conducted by cross function team and Business Partners wise score shared.
- Ash dyke truck movement streamlined with separate entry & exit points and 100 nos. of display boards provided at dykes.
- Foundry Chimney was demolished in a controlled method ensuring the safety of the operational plant
- Cross Business Vehicles & Rail safety audit conducted for gaps identification and learnings across Al-Sector
- Critical Risk Management theme launched and under this, drive conducted across BALCO to cross verify gaps in Critical risk controls.
- E-wastes disposal done of approx. 5 Tons to authorized recyclers.
- Electrical Governance Certificate system implemented
- Safety Communication by CEO, BALCO drive conducted across BALCO business partners wise.
- Unserviceable explosives stock of Kawardha and Chotia destroyed in presence of PESO controller
- Animated Fatality learning video prepared and circulated.
- Third party safety audit conducted as per IS 14489 by M/s Dekra
- Suraksha Kutumb drive framed and initiated.

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

- National Safety Awards (Mines) received from Hon'ble Minister of Labour and Employment
- Balco Winner Kalinga Environment Excellence Award

The Company had an unfortunate fatality at Carbon Plant (GAP-2) on 14th Feb, 2022. The accident was fully investigated, and preventive actions were taken across sites.

9. INFORMATION TECHNOLOGY & COMMUNICATION

- **Hot Spot Detection System for Coal Yard: -**

  Using Thermal Image Camera for Identification of Spontaneous combustion in Coal Yard and to alert concern officers in the event of Hot Spot in Coal Piles with location with Alarm/ Alerts. It is aimed to detect the hot spot and give warning in advance about any temperature raise above 70 deg Celsius in yard.

  Benefits:

  Maintains CV value by minimizing burning and hence overall efficiency enhancement.

  Minimizes emission of hazardous gases like methane/ carbon monoxide.

  Save huge amount of revenue lost due to damage of belts and spontaneous combustion of coal in case of fire.

- **Real-time temp. measurement and analytics to optimize furnace heat flow: -**

  Furnace metal Temperature can now be controlled by running a furnace burner in a bath control mode by measuring the actual metal temperature and utilized the actual temperature to melt aluminum scrap. Mapping PLC data in the MES system for real time data monitoring and automatic report generation.

- **Smart Purity Tracking: -**

  A more reliable and evidential method of analysis of critical pot and demand as per customer specification with Si/Fe monitoring with predication. It will give early predication of prone to leakage pots and subsequent action can be taken to prevent pot leakage.

- **Boiler Tube Leakage Prediction Using AI/ML Pulse Edge: -**

  This project offers a more reliable and evidential method of prediction analysis of Boiler Thermal Profile. It is aimed to detect and give warning in advance about leakages, so that subsequent action can be taken to prevent Boiler Tube Leakage.

10. HUMAN RESOURCES, TRAINING AND DEVELOPMENT

The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

In the FY 2021-22, total 29,998 training man-days were covered in 312 comprehensive training interventions, with a participation of 29,998 employees against the targeted training man-days 10,666.

To familiarise with policies, its adherence, actions on non-compliance of Code of Conduct and reporting mechanism for Whistle Blowing to ensure utmost ethical behaviour, corporate governance and to make employees aware about Human Rights in the Organizational functioning, an Online Awareness Module of Mandatory Sessions on 'Code of Conduct Business Ethics & WBP, ABAC, Anti-Trust Guidance Laws and Human Rights' was launched through E-Learning Portal, which has coverage of 100% as on date.

To educate employees on the various aspects of POSH law, an online E-Learning module was launched in the month of Jan'2022.

11. INDUSTRY OUTLOOK

Global Trade Scenario

Global economy activities posted impressive recovery during FY 2021-22 from the initial pandemic related economic restriction fueled by the availability of the Vaccines coupled with unprecedented fiscal and monetary support from the government and central banks around the world[1]. The emergence of Delta variant in the first half of FY 2021-22 and Omicron in the second half of FY 2021-22 had significantly hindered the global economic growth momentum and added market volatility across the different markets especially the commodity market.

The supply-chain disruption continued to be major issue for businesses during FY 2021-22 especially in the USA and Europe as the ports remained highly congested in Europe and the USA. Further the problem has been amplified by the resurgence of COVID-19 cases, shortage of workforce around the world. Even though the demand growth across the segment, slowed as compared to second half of FY 2020-21, the global demand of FY 2021-22 remained higher than that of pre-pandemic level. In the second half of FY 2021-22, the disruption in the energy supply, because of natural disaster and production halt in China, USA and Australia, and geopolitical instability in Europe and higher demand led to an astral growth in the energy prices.[2]

Pertaining to the higher energy prices, labour shortage, supply-chain disruption and extra-ordinary liquidity support and fiscal support the world has witnessed an unprecedented price rally across all the commodities including Aluminium.

[1]During the FY 2021-22 the US Federal Reserve injected a net of \$1.2 Trillion worth of liquidity injection and ECB injected around \$1 Trillion worth of liquidity injection. Source: US Federal Reserve, ECB.

[2]During the second half of FY'22 the Brent Oil has gone from \$79.28 per barrel on 1st Oct'21 to \$111.44 per barrel on 31st Mar'22. While Newcastle Coal Future \$152 PMT in Sep'21 to \$264 PMT in Mar'22. Source: Bloomberg

Domestic Market Scenario

Similar to global economy, the economic growth in the domestic market was disrupted by the second wave of the covid-19 pandemic. Even though the ferocity of the delta wave was unprecedented the loss of demand was less intense than the first wave of the covid-19. To pertain the effect of second covid-19 wave The Government of India (GoI) announced the first stimulus amounting to 1.2 lac crore rupees for FY 2021-22 in addition to the continuation of the previous stimulus.

Due to base in H1 of FY 2021-22 the growth in demand for durable goods were higher than H2 of FY 2021-22, the demand on absolute term were higher in H2 as compared to H1 of FY 2021-22. A similar trend can be seen in the aluminium sector where the production of three primary producers in India grew at 10% and 9% for H1 of FY 2021-22 and H2 of FY 2021-22 on year-on-year basis, but in absolute term the production was 45Kt higher in H2 as compared to H1 of FY 2021-22[3].

Price Drivers

FY 2021-22 has been a year of price volatility. With the rising concern about supply chain disruption and softening demand due to covid-19 second wave, geopolitical instability in the Europe and rising input cost, FY 2021-22 witnessed significant commodity price volatility including Aluminium[4]. During the second half of FY 2021-22 Europe witnessed significant increase in their energy price due to several geopolitical crisis[5]. During the same period the coal prices in Asia had increased drastically pertaining to higher demand and supply disruption[6].

With the increase of the energy prices many European smelter curtailed the production of Aluminium leading the sever deficit in the Aluminium market. Pertaining to that the base index price and regional premiums rose to historic highs. The LME Aluminium price rose above $3000 PMT level during the Oct'21. Further, the Geopolitical instability in Europe has worsen the energy market stability leading unprecedented price increase. On 7th March 2022 the LME Aluminium cash settled price touched $4000 PMT level for the first time in the history.

Product and Customer

Balco's integrated smelter in India with 0.55 MTPA installed capacity with primary domestic market share of 22% FY 2021-22 as compared to 30% in FY 2020-21. Balco's product range includes Aluminium Ingots, Primary Foundry Alloys, Wire Rods and Rolled Products. The company is poised to accelerate its reach to automotive downstream industry in India through variety of its value-added products portfolio, which is on increasing trend as days pass by.

For this financial year, 48% of the company's total sales were to the Indian markets, specifically for the use in the electrical and transportation industries. About 71% of this domestic sale comprised of Value Added Product portfolio of Vedanta Ltd, which saw an increase of 11% compared to last year. The company sold an overall of 40% of its total sales as Value Added Product in this financial year.

12. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

A) Changes in Directors and KMP

Mr. T K Chand (DIN-01710900) ceased as an Independent Director of the Company upon his resignation on 23rd July 2021.

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

i. Appointed Mr. Amit Gupta (PAN- AGQPG5827K) as Chief Financial Officer (KMP) w.e.f. 24th August 2021.

ii. Appointed Mr. Prateek Jain (PAN-ALRPJ5124G) as Company Secretary (KMP) w.e.f. 10th December 2021

[3]The higher production in H2 as compared to H1 during FY 2021-22 is a sign of economic recovery and higher demand as the excess production trend during H2 as compared to H1 is record ex-post the covid-19 pandemic. Source: Internal Data Source. FY 2021-22.

[4]During FY 2021-22 Aluminium price [LME cash settled] has recorded a price difference of $1772 PMT [lowest $2212.5 PMT on 1st Apr-21 and highest $3984 PMT 7th Mar-22] highest ever in a single year in addition to that the relative price variance of LME daily cash settled prices has increased to 48 as compared to 31 during FY 2021-22. Source: LME Aluminium Cash Official.

[5]The Energy crisis in Europe began due to exceptionally high demand and restricted supply of natural gas. Due to two separate geopolitical crises among Algeria and Morocco [11.9% natural gas import] and Russia and Ukraine [44% natural gas import] the supply of natural gas to Europe got disrupted at an unprecedented rate. Source: International Trade Centre.

[6]During the middle of FY 2021-22, there had been a severe shortage of coal in Asia including India leading to sky high coal prices. Due to heightened energy demand from China, Production curb by Australia, Heavy rainfall in Vietnam had led to sever regional shortage of coal especially coal from Indonesia [the world's largest coal exporter] leading to an astral increase in the coal price.

iii. Re-appointed Mr. Abhijit Pati (DIN-08457230) as Additional Director and Chief Executive Officer and Whole Time Director of the Company w.e.f. 01st January 2022 subject to approval of the Shareholders in forthcoming Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director.

During the year, the Board took note of the below changes in Government Nominee Director:

i. Resignation of Mr. Yatinder Prasad (DIN-08564506) and the appointment of Ms. Nirupama Kotru (DIN-09204338) w.e.f. 04th August 2021.

ii. Resignation of Mr. Alok Chandra (DIN-06929789) and appointment of Mr. Shakil Alam (DIN-09272903) w.e.f. 04th August 2021.

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

i. Took note of the resignation of Mr. Rahul Roongta from the office of Chief Financial Officer of the Company w.e.f. 23rd August 2021 and approved the appointment of Mr. Amit Gupta as Chief Financial Officer & KMP of the Company w.e.f. 24th August 2021.

ii. Took note of the resignation of Mr. Vinod Kumar Mathur from the office of Company Secretary of the Company w.e.f. 15th September 2021 and approved the appointment of Mr. Prateek Jain as Company & KMP of the Company w.e.f. 10th December 2021.

B) Directors liable to retiring by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association Mr. S. K. Roongta (DIN-00309302), Director is liable to retire by rotation at the ensuing Annual General Meeting. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended his re-appointment.

Mr. S. K. Roongta has given required declaration under Companies Act, 2013. Brief resume of the Director being reappointed forms part of the notice of ensuing Annual General Meeting. The Board/ Committee recommend the reappointment of Mr. S. K. Roongta.

The Nomination and Remuneration Policy of the Company is attached herewith as **Annexure -E** and is also available on the Company's website at:

https://www.balcoindia.com/sustainability/policies-standards/sustainability-policies/

C) Key Managerial Personnel

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. Abhijit Pati - Chief Executive Officer & Whole Time Director

Mr. Amit Gupta - Chief Financial Officer

Mr. Prateek Jain - Company Secretary

D) Separate Meeting of Independent Directors

The Independent Directors met on 29th March 2022, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity, and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

E) Declaration of Independent Directors u/s 149

All the Independent Directors of the Company have given their respective declaration / disclosures under Section 149(7) of the Companies act 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014, and have confirmed that they fulfil the independence criteria as specified under section 149(6) of the Act, and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declarations / disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

F) Familiarisation Programmes for Board Members

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same.

In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct, Policy on Related Party Transactions, Policy on Remuneration, Whistle blower policy, Risk Management Policy, Policy on Anti-Corruption and Anti-Bribery, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility policy.

The Statutory Auditors, Internal Auditors and Senior Management of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the Financial Results.

G) Number of Meetings of the Board

The Board met 8 (eight) times during the financial year 2021-22 on 22nd April 2021, 23rd June 2021, 22nd July 2021, 23rd August 2021, 20th October 2021, 10th December 2021, 21st January 2022 and 29th March 2022. The maximum interval between any two meetings did not exceed 120 days. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Report.

13. DIRECTOR RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Directors hereby confirm that: -

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the annual accounts on a going concern basis;

(e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is following the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

15. INTERNAL FINANCIAL CONTROLS

Internal financial control over financial reporting have been designed to provide reasonable assurance with regards to recording and providing reliable financial information and complying with applicable accounting standards. These controls are reviewed periodically, and the Company continuously tries to automate these controls to increase its reliability. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose.

The systems/frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, an internal audit framework, an ethics framework, a risk management framework, and adequate segregation of duties to ensure an acceptable level of risk. Documented controls are in place for business processes and IT general controls. Key controls are tested by entities to assure that these are operating effectively. Besides, the Company has also adopted an SAP GRC (Governance, Risk and Compliance) framework to strengthen the internal control and segregation of duties/ access.

The Company has documented Standard Operating Procedures (SOP) for procurement, project/ expansion management capital expenditure, human resources, sales and marketing, finance, treasury, compliance, Health, Safety and Environment (HSE), and manufacturing.

The Group's internal audit activity is managed through the Management Assurance Services ('MAS') function. It is an important element of the overall process by which the Audit Committee and the Board obtains the assurance on the effectiveness of relevant internal controls. The scope of work, authority and resources of MAS are regularly reviewed by the Audit Committee. Besides, its work is supported by the services of leading international accountancy firms.

The Company has a well-defined and documented delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company has workflows to ensure adherence to the delegation of authority. The Company has a commercial manual which lays down certain principles and procedures that are to be followed in commercial & purchase contracts transactions across the Company. The SSC verifies the compliance to commercial manual before clearing the payments.

The Company's system of internal audit includes monthly physical verification of inventory, a monthly review of accounts and a quarterly review of critical business processes. To enhance internal controls, the internal audit follows a stringent grading mechanism, focussing on the implementation of recommendations of internal auditors. The internal auditors make periodic presentations on audit observations, including the status of follow-up to the Audit Committee.

The Company is also required to comply with the Sarbanes Oxley Act Sec 404, which pertains to Internal Controls over Financial Reporting (ICOFR). Through the SOX 404 compliance programme, which is aligned to the COSO framework, the Audit Committee and the Board also gains assurance from the management on the adequacy and effectiveness of ICOFR.

In addition, as part of their role, the Board and its Committees routinely monitor the Company's material business risks. Due to the limitations inherent in any risk management system, the process for identifying, evaluating, and managing the material business risks is designed to manage, rather than eliminate risk. Besides, it created to provide reasonable, but not absolute assurance against material misstatement or loss.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

Based on the information provided, nothing material has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in the Company's internal financial controls during the year that have materially affected or are reasonably likely to materially affect its internal financial controls.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Moreover, in the design and evaluation of the Company's disclosure controls and procedures, the management was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures. Further, the Audit Committee annually evaluates the internal financial controls for ensuring that the Company has implemented robust systems/framework of internal financial controls viz. the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

16. AUDITORS' APPOINTMENT AND AUDITORS' REPORT:

(A) STATUTORY AUDITORS

M/s S. R. Batliboi & Co., LLP, (Firm Registration Number 301300E) Chartered Accountants were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years at the Annual General Meeting ("AGM") of the Company held on Friday 17th September 2021. The Auditors have confirmed that they are not disqualified under section 141 of the Act from continuing as Auditors of the Company.

The observations made in the Auditor's Report are dealt with separately in the notes to the Profit and Loss Account and the Balance Sheet. These are self-explanatory and do not call for any further comments.

(B) SECRETARIAL AUDITOR

Pursuant to provision of Section 204 of Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Person) Rules 2014, a confirmation eligibility and willingness to act as Secretarial Auditor of Company has been received from M/s Vinod Kothari & Company to conduct Secretarial Audit for FY 2022-23. The Audit Committee recommends to the Board their appointment for FY 2022-23.

Pursuant to provision of Section 204 of Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Person) Rules 2014, the Company had appointed M/s Vinod Kothari & Company to undertake the Company's Secretarial Audit for FY 2021-22.

The Report of the Secretarial Audit for FY 22 in Form MR-3 is annexed herewith as **Annexure B**.

(C) COST AUDITOR

Pursuant to provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, M/s R J Goel & Co., Cost Accountants as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March 2023, at a remuneration as mentioned in the Notice convening the Annual General Meeting. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

A confirmation of eligibility and willingness to act as Cost Auditor of Company has been received from M/s R J Goel & Co., to conduct Cost Audit for FY 2022-23. The Audit Committee recommends to the Board their re-appointment for the year 2022-23.

The Company maintains necessary cost records as specified by Central Government under sub-section 1 of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

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

Information as required under Section 134 of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014, viz. a report on conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the **Annexure-A** attached hereto and form part of this report.

18. EMPLOYEE INFORMATION AND RELATED DISCLOSURES

The statement containing particulars of employees as required under Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

19. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. A separate report on Corporate Governance, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') forms a part of this annual report.

20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure-D**".

21. ANNUAL RETURN

Annual Return in Form MGT-7 is available on the Company's website, the web link for the same is https://www.balcoindia.com/

22. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as "Prevention of Sexual Harassment Act"), the Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition, and redressal of sexual harassment at workplace and an Internal Complaints Committees has also been set up to redress any such complaints received.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act.

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Complaints of sexual harassment received during the financial year 2021-22 by the Company were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them. The following is a summary of sexual harassment complaints received and disposed of during the year:

Number of cases pending as on the beginning of the financial year	Nil
Number of complaints filed during the year	Nil
Number of complaints disposed off during the year	Nil
Number of cases pending as on the end of the financial year	Nil

23. RELATED PARTY TRANSACTION

All contracts or arrangements entered by the Company with its related parties during the financial year were in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All such contracts or arrangements have been approved by the Audit Committee, as applicable. There were no materially significant Related Party Transactions entered-into by the Company with Promoters, Directors, Key Managerial Personnel, or other related parties which may have a potential conflict with the interest of the Company. Requisite prior approval of the Audit Committee of the Board of Directors was obtained for Related Party Transactions. All the related party transactions entered into by the Company were in ordinary course of business and at arm's length. Therefore, disclosure of Related Party Transactions in Form AOC-2 as per the provisions of Section 134(3)(h) and Section 188 of the Companies Act, 2013 read with the Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013, and Listing Regulations.

The details of the transactions with the related parties are provided in the accompanying financial statements. There were no related party transactions made during the year required to be disclosed in the Form AOC-2.

24. VIGIL MECHANISM

The Company has established a robust Vigil Mechanism and a Whistle-blower policy in accordance with provisions of the Act. Your Company's Whistle Blower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud, or any violation of the Code of Conduct, that could adversely impact your Company's operations, business performance and / or reputation. It is your Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company.

As per the whistle-blower policy adopted by the Company, all complaints are reported to Director–Management Assurance who is independent of operating management and businesses.

In line with global practices, dedicated email IDs and centralized database have been created to facilitate receipt of complaints. A 24X7 whistle blower hotline cum web-based portal is available to report genuine concerns. All employees and stakeholders can register their integrity related concerns either by calling on a toll -free number or by writing on the web-based portal that is managed by a third party. The hotline provides multiple local language options. After the investigation, established cases are brought to Group Ethics Committee for decision making. Whistle Blower Policy is also posted on the website of the Company.

25. BOARD EVALUATION

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process and it covers various aspects of the Board functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgement, governance issues etc. A structured questionnaire was circulated to the Board members in this connection.

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

Outcome of the evaluation exercise:

1. The Board as a whole performed satisfactorily.
2. Independent Directors are rated high in understanding the Company's business and expressing their view during the Board meetings.
3. The Non-Executive Directors scored well in all aspects.
4. Directors rated Executive Directors as action oriented and good in implementing Board decisions.
5. Board members rated high to the Chairman in leading the Board effectively.
6. Board members had shown satisfaction in functioning of the Committees.

26. DEPOSIT

During the year under review, your Company has not accepted any deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31st March 2022, there were no deposits which were unpaid or unclaimed and due for repayment.

27. LOANS AND INVESTMENT U/S 186

Details of Loans, Guarantee and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to Financial Statements.

28. COMMITTEES OF THE BOARD

Currently, there are three Board Committees – the Audit Committee, the Nomination and Remuneration Committee Corporate Social Responsibility Committee and Finance standing Committee. Meetings of Board Committees are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board with clearance of the Committee Chairman. All the recommendations made by Board Committees during the year were accepted by the Board. Minutes of Board Committee meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

A) Audit Committee:

The Audit Committee of the Board of Directors constituted in compliance of Section 177 of Companies Act, 2013 comprises:

1. Mr. D. D. Jalan - Chairman (Independent Director)
2. Mr. Arun Todarwal - Member (Independent Director)
3. Mr. Tarun Jain - Member (Non-Executive Director)

Besides reviewing the internal audit, control, and procedures, it reviews the un-audited and audited financials of the Company before submission to the Board. The Audit Committee also reviews the implementation of the risk management policy and the whistle blower policy and all other activities as stipulated in Audit Committee Charter.

7 (Seven) Audit Committee Meetings were held during the financial year ended 31st March 2022 and dates on which the Audit Committee Meetings were held are as follows:

22nd April 2021; 23rd June 2021; 19th July 2021; 22nd July 2021; 20th October 2021; 21st January 2022 and 29th March 2022.

The Board has accepted all recommendation of the Audit Committee.

B) Nomination and Remuneration Committee:

The Nomination & Remuneration Committee establishes the principles for the selection of candidates to the Board of Directors, selects candidates for the election or re-election to the Board of Directors and prepares a proposal for the Board of Directors' decision.

In terms of provisions of Section 134(3) (e) of the Companies Act, 2013, the Company has adopted the Nomination and Remuneration Policy.

Composition, names of members and number of meetings held during the year:

In terms of provisions of Section 178 of the Companies Act, 2013, the Company has duly constituted Nomination and Remuneration Committee and as on 31st March 2022, the Nomination & Remuneration Committee comprised of the following Independent Directors & Non-Executive Directors.

1. Mr. D. D. Jalan – Chairman (Independent Director)
2. Mr. Arun Todarwal - Member (Independent Director)
3. Mr. S K Roongta-Member (Non-Executive Director)

During the year FY 2021-22, Nomination & Remuneration Committee met 3 (three) times i.e., on 20th April 2021; 17th August 2021 & 10th December 2021.

In terms of provisions of Section 134(3) (e) of the Companies Act, 2013, the Company has adopted the revised Nomination and Remuneration Policy on 2nd May 2019.

C) Corporate Social Responsibility Committee

In Compliance with Section 135 of Companies Act, 2013 the company has duly constituted Corporate Social Responsibility (CSR) Committee and as on March 31, 2022, the Committee comprises of following Independent Director, Non-Executive and Executive Director: -

1. Mr. Arun Todarwal- Chairman (Independent Director)
2. Mr. S K Roongta- Member (Non-Executive Director)
3. Mr. Abhijit Pati- Member (CEO and Whole Time Director)
4. Ms. Nirupama Kotru- Member (Government Nominee Director)

The role of CSR Committee includes formulating and During the financial year ended 31st March 2022, the Committee recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the area of CSR.

During FY 2021-22, CSR Committee met 3(three) time on 22nd April 2021; 17th May 2021 and 20th January 2022.

29. CORPORATE SOCIAL RESPONSIBILITY

Your Company's overarching commitment to create significant and sustainable societal value is manifest in its CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India, through economic empowerment based on grassroots capacity building. CSR for Balco is an integral part of its business strategy, which includes creating an organisation intended to maximise wealth of shareholders and establish productive and lasting relationship with all stakeholders, with an emphasis on fulfilling our responsibility towards the entire community and society.

In terms of the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mr. Arun Todarwal: Independent Director. The other Members of the Committee for the Financial Year ending March 31, 2022 were Mr. S K Roongta, Mr. Abhijit Pati and Ms. Nirupama Kotru.

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

The Corporate Social Responsibility Policy is available on the website of the Company at: CSR_Policy_19th_May_2021.pdf (d2z1l9uefzbzxd.cloudfront.net).

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates. During the FY 2021-22 the Company has spent ₹ 39.95 crore under Section 135 of the Act on CSR activities,

30. CORPORATE SOCIAL RESPONSIBILITY PROJECTS

BALCO CSR works towards a larger goal of creating enduring value for the communities it works in. Towards that end, we undertake various community programmes as part of our Corporate Social Responsibility (CSR). The Company has committed to align its CSR activities to the priorities of its neighborhood communities and the national priorities. CSR programs are spread across various thematic areas i.e., Education, Sustainable Livelihoods, Health, Water & Sanitation, Women's Empowerment, Environment & Safety, Sports & Culture, and Community Asset Creation including community development. This year, through various CSR initiatives 1.65 Lac people impacted in 4 districts of Chhattisgarh.

EDUCATION

Connect

- The Project focuses on improving the learning environment in nearby 5 government schools by creating an enabling environment with focus on improvising Students Grades, Teacher's Capacity Building, Career Counselling and Employee Volunteerism. The Field Instructors teach students in SEMA subjects (Science, English, Maths & Accountancy) in these Govt. schools. During the year, 1447 students in 5 Govt. schools benefitted through regular and remedial classes for 9th – 12th class on SEMA subjects (Science, English, Maths & Accountancy), other activities like winter camps, doubt clearing sessions and test series helped students to prepare for Board exams.

SUSTAINABLE LIVELIHOODS

Mor Jal Mor Maati

- The project focusses on augmenting irrigation facilities, equipping farmers with latest farming techniques and promoting multi-cropping to reduce the dependence on rainfall, improving the surface water management with existing resources and ensuring income generation round the year. During the year, 1024 Farmer benefitted covering 831 acre of land in 11 villages. Farmers were supported with input support of seeds, manure, fencing, soil testing and periodic monitoring of the crops. Farmers were also capacitated through training programs on modern cropping methods.

  As a result, 75% of farmers adopted modern agriculture techniques like Systematic rice intensification (SRI) which lead & systematic wheat intensification (SWI). SRI helped farmers in getting 1.5 times increase in production. Cumulatively these methods lead to an average increase in farmer' income by 30% with 40% reduction in cost of cultivation. Capacity Building sessions of FPO (Farmer Producer Organizer) established under project with over 400 farmers as members were done. Multiple exposure cum learning visits were organized both within and outside Chhattisgarh for farmers to understand FPO management and business development for agricultural produce. In line with this FPO started its own Input Centre (Shop for selling Agri input such as seeds, Manure and Farming tools).

  Vedanta Agriculture Resource Centre (One stop solution for farming needs) ventured into production of exotic vegetables such as Lettuce, Broccoli and Capsicum. It also served as the central point for training and soil testing for farmers. Convergence done with various government schemes such as Saurya Sujala Yojna, PM Krishi Sichayi Yojna, National Food Security Mission and MGNREGA.

Vedanta Skill School

- The project focuses on imparting vocational training to rural youth, drop outs and unemployed population of Chhattisgarh with a special focus on our operational areas and linking them with gainful employment opportunities. During the year, 594 youths trained in 3 of our centres running in Korba, Kawardha & Mainpat out of which 73% youth placed in 18 reputed organizations with an average CTC. of INR. 12000-13000/month in 5 states. Out of 24 batches, 11 batches trained in convergence with Govt. schemes like Mukhya Mantri Kaushal Vikas Yojna (MMKVY), NABARD, Skill India Impact Bond (SIIB) and National institute of Solar Energy (NISE).

HEALTH, WATER AND SANITATION

Arogya

- The project is a comprehensive health initiative providing quality Primary health care services through Rural Health Posts and awareness campaigns on TB, HIV and Maternal & Child health. During the year, program reached out to over 28,902 people through curative and preventive healthcare services in 30 communities. Multiple awareness and capacity building sessions conducted on HIV, TB and Maternal & Child Health. For HIV awareness community level meetings were organized along with a weeklong HIV awareness campaign in collaboration with District Administration observing the World AIDS Day (1st Dec). Under maternal & child health, developed 150 nutrition garden and trained 500 mothers on recipes from Take Home Ration (THR) for better consumption & improving nutrition levels of Mother & Child. Revived & Capacitated, 21 Mahila Arogya Samiti & 11 Village Health, Sanitation & Nutrition Committee (health bodies in communities) covering 600 PRI members & local health workers for better convergence & leveraging.

Mobile Health Van

- The Mobile Health Van (MHV) is structured to provide Healthcare at the doorstep of the ailing. In view of the same, BALCO in partnership with HelpAge India launched MHV program. This MHV is serving our nearby 45 communities/areas and addresses the problems of inaccessibility to, inability to afford and non-availability of basic essential health care in community. 5516 people availed health care services during fortnightly visits in 45 communities. Multispecialty (Orthopedics, Dental, ENT, Pediatrics, Gynaec, Blood & Sugar etc.) mega health camp organized benefitting 177 people. 12 Awareness camps organized, sensitizing people on Covid related precaution and other health and hygiene matters.

Nayi Kiran (Menstrual Health Management)

- The project focuses on creating awareness and capacity building of women and adolescent girls on hygienic practices during menstruation. During the year, the program sensitized over 33,377 women, men, adolescent Girls & Boys through awareness, sensitization & capacity building sessions. As a step ahead, capacity building & leadership sessions done with 60 adolescent girls group, 60 self-help group women & 60 frontline workers to make the torchbearers in community on spreading right message on safe menstrual health practices. Additionally, as a bold step, project iinvolved "Men in Menstruation", in this 60+ Adolescent boys capacitated on understanding of Menstruation. 4 Swastha Suvidha Kendra were also started in villages which are serving as the one stop solution for Menstrual problems and place for conducting session at village level being run by leaders of our adolescent girls group.

Balco Medical Centre

- We aim to envisage a society where people are free from the menace of cancer. The Balco Medical Centre (BMC), a 170-bed tertiary oncology facility - a flagship initiative of the Vedanta Medical Research Foundation (VMRF). Aims to bring ultra-modern, multi-modality diagnostic and therapeutic facilities within easy reach of India's population at an affordable cost. It is located in Naya Raipur, Chhattisgarh and patients from different parts of the country visit the centre. During the year 12,082 people availed healthcare services from the hospital.

Covid Relief Efforts

- As the second & third wave of the Covid hindered with the normal, once again, BALCO swiftly mobilized to provide relief work to people in times of crisis. 72,440 people were reached through various initiatives taken by BALCO.

Primary level

Through continuous awareness drives in all the nearby communities the fear of Covid was contained, along with this sanitization drive was run covering 30 communities. 14000+ Sanitization kits each having Masks, Soap and Sanitizer bottle were distributed in nearby 30 communities. For this more than 71,000 masks were stitched by 122 women of SHG groups who earned INR. 3.5 lacs.

Secondary level

Support was provided to district administration in the form of Medicines, Oximeters, Thermal Guns and Ventilators to tackle increasing cases of Covid.

Tertiary level

At state level a 100 bedded Field Hospital was setup in Raipur to provide tertiary level care during pandemic.

WOMEN'S EMPOWERMENT

Unnati

- The project focuses on empowering, mobilizing & strengthening women into Self Help Groups (SHGs) and develop their capacities and skills for entrepreneurship and sustainable livelihoods. During the year, 90 new SHGs (Self Help Groups) formed, taking total to 458 SHGs involving 5066 women. 961 women engaged in income generation activities under 3 microenterprises.
- On occasion of International Women's Day "Unnati Mahotsav" celebrated with community women on the them #breakthebias. Event celebrated with participation of 400+ SHG women from 45 communities with enthusiastic performances by women and girls depicting local dance forms and plays on social issues. Other highlight of the program was, Balco recognizing the efforts of 3 State Level achievers, Amita Shriwas (Mountaineering), Ankita Gupta (Mountaineering) and Tulika Pandey (Entrepreneurship) & 10 Local Level Women/Girl Achievers who have achieved significant positions by breaking the biases or done innovative work in social space. The event included Stalls having products by SHG groups, Farmers Groups, and Government also on Legal aid for women and Women Health etc. were put on display.

EMPLOYEE ENGAGEMENT

- Employee engagement provides a unique opportunity for employees to contribute for the social good and also to see the values of care being implemented on ground for the people. In line with this 180+ employees volunteered cumulatively for activities like
  - Wish Tree initiative, where they gave gifts to the kids of the nearby communities, fulfilling their wishes.
  - Mentoring - Employees also volunteered for taking classes and career counselling sessions under Connect.
  - Counselling – Volunteering for taking counselling sessions in Vedanta Skill School Program, so that students can be helped with ready for change of state for placements.
  - COVID - The employees participated in Covid vaccination survey in nearby villages, helping government in mapping status of Covid Vaccinations.
  - Safety Trainings – Safety sessions conducted by employees training NGO partners to make them master trainers for safety in communities.

SAFETY

- To make safety an integral part of CSR function and to ensure safety of our partners on field and community at large, 5 safety trainings organized to capacitate NGO partners on Road, Fire & Home safety covering 51 members, these 51 people will further take the message of safety as leaders, both for their NGOs and community.

AWARDS

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

- ICC Social Impact Award - Healthcare
- ICC Social Impact Award - Empowering the Rural Community
- Green Tech CSR India Award - Agriculture Promotion
- SABERA- Responsible Business of the Year
- The CSR Journal Excellence Award- Agriculture and Rural Development

31. RISK MANAGEMENT

Your businesses are exposed to a variety of risks, which are inherent to a global natural resource's organisation. Risk management is embedded in the organisation's processes and the risk framework helps the organisation meet its objectives by aligning operating controls with the mission and vision of the Company. Risk evaluation and management is an ongoing process within the Organization. Your Company has comprehensive risk management policy which is periodically reviewed by the Risk Management Committee.

Our management systems, organisational structures, processes, standards and code of conduct together form the system of internal controls that govern how we conduct business and manage associated risks.

Formal discussion on risk management happens in business level review meetings at least twice in a year. Major risks identified by businesses and functions are systematically addressed through mitigating actions. Risk officers have also been formally nominated at operating businesses level, to develop the risk-management culture within the businesses. The recent COVID-19 outbreak created considerable strain and uncertainty and impact over Operational and financial performance is assessed and discussed along with its mitigation plan to overcome this pandemic.

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

32. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION AND CHANGE IN NATURE OF BUSINESS

There have been no material change(s) and commitment(s), except elsewhere stated in this report, affecting the financial position of the Company between the end of the financial year of the Company i.e., March 31, 2022 and the date of this Report. There has been no change in the nature of business of the Company during the financial year ended on March 31, 2022.

33. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

34. DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

There is no difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions.

35. OTHER DISCLOSURES

- There was no revision in the financial statements.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- There were no frauds reported by the Auditors u/s 143(12) of the Companies Act, 2013.
- There were no applications made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year.

APPRECIATIONS AND ACKNOWLEDGMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication, and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader.

The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, customers, vendors, members, and debenture holders during the year under review. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth.

Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities for their continued support.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	SK Roongta	**Abhijit Pati**
	(DIN-00309302)	(DIN-00227980)
Dated: 21st April 2022	(Chairman)	(CEO & WTD)

Annexure A:

ANNEXURE'S TO BOARD'S REPORT

A. CONSERVATION OF ENERGY:

- Various initiative taken, and trials conducted in Pot line on energy saving cathodes resulting into reduction in Specific Energy consumption to ever lowest 13647 kwh/MT in Fy22. Balco Pot line 1 is benchmark (13417 KWH/MT – Feb 2022) in India and is in top decile across all World class Smelters. Balco received Energy Leaders Award by CII (only Aluminium Smelter to receive this award).

  Key Projects-

  i. 100% graphitised pots installation-103 no. in FY22.

  ii. 33 KWH/MT Aux reduction by Conversion of HP Compressor to LP Compressor

  iii. Process Optimization

  iv. Pot controller parameter optimization

  v. CE increment project from 94.67 to 95%

- Highest ever metal Volume generated in FY 22 580424 Mt, 11Kt up by FY 21.
- Reduction in Specific Energy consumption in Cast houses from 64.9 KWH/MT (FY 21) to 54.93 KWH/MT (FY22) by following initiatives:

  i. Mill1 return line modification done to connect to close loop system- saving 4KWH/MT

  ii. Optimization of pump house water flow by installation and tuning VFD of Hotwell - saving 2 KWH/MT

  iii. Compressed energy saving by installation of air booster - saving 1 KWH/MT

- Reduction in specific HFO consumption in FY 20-21 – from 4.89 to 4.71 Ltr/MT in FY 21-22.
- Lowest ever Melt loss in Cast House 3 from 0.40% (FY21) to 0.34% in FY22. Savings 2.9 Cr in FY22.
- Lowest ever HFO consumption in EC ingot of 3.5 L/MT in FY22 from 4.6L/MT in FY21.
- Lowest ever Alloy ingot HFO consumption of 22.07 L/MT in FY22 from 23.44 L/MT in FY21.
- Lowest ever Wire rod rejection of 0.25 % in FY22 from 0.52% (FY21) Savings 11 lakhs in FY22.
- Reduction in Specific HFO consumption from 45.7 ltr/MT in FY 20-21 to 44.8 ltr/MT in FY 21- 22
- Reduction in specific power consumption from 75.93 kWh/No FY21 to 74.55 KWh/No FY22
- Reduction in specific pig iron consumption from 0.47 Kg/Anode FY21 to 0.43Kg/Anode FY22
- Reduction in rodded anode rejection from 0.194% FY21 to 0.185% FY22.
- Energy saving of 2500 KWH /day achieved by increasing throughput of GAP2 from 30 TPH to 35 TPH.
- Idle running hrs optimized by automation in logic Saving 300 KWH/day
- Lighting load reduction 1511 Kwh/day by LED light replacement
- Specific Energy Consumption in Sheet Rolling Shop 905.6 KWH/MT & Foundry Shop 107.6 KWH/MT.
- Installation of VFD in HRM Emulsion Motor, Box Furnace Blower Motor.
- Auxiliary Initiatives:

  Key Projects-

  i. One CW Pump operation in 1200 MW & 540MW.

  ii. APH seals adjustment

  iii. Fabric filter replacement

- Reduction of Specific Coal Consumption initiatives:

  i. Condenser Tube Chemical Cleaning

  ii. CT fills Cleaning & Nozzle Orientation.

  iii. Turbine Rotor & Seal Replacement in CPP540 U#4.

  iv. APH Seal Replacement.

Additional Investment:

- Installation of 103 number of energy savings cathodes with investment of 175 Cr.
- Investment of 97 lac Conversion from HP compressor to LP compressor.

Recognition and system implementation for energy Improvements.

- "Excellent Energy Efficient Unit Award - Metal Sector" by CII- for Energy conservation
- Most Useful Energy efficient presentation award - Metal Sector" by CII- for Energy conservation
- 1200MW won Energy Excellency award for Chhattisgarh State for the 14th CII Encon Awards 2021
- WINNER of 'Golden Peacock Energy Efficiency' Award in 21st National Award for Excellence in Energy Management.
- Green Apple International Energy Award.

Excludes capitalised quantity

SL No.	Particular	Unit	2021-22	2020-21
1	**Hot Metal**			
i	Electricity	Kwh / MT	13,647	13,769
2	**Propenzi Rod (Including Alloy Rods)**			
i	Electricity	Kwh / MT	121	145
ii	Funance Oil	Ltr / MT	2	-
3	**Ingots**			
i	Electricity	Kwh / MT	29	36
ii	Funance Oil	Ltr / MT	5	6
4	**Rolled Product**			
i	Electricity	Kwh / MT	798	912
ii	Funance Oil	Ltr / MT	102	94

SL No.	Particular	Unit	2021-22	2020-21
1	**Electricity: Own Generation**			
	Units	M. KWH	9,741	10,913
	Total Amount	Rs in Crs	2,673	2,423
	Average Rate	Rs/KWH	3	2
2	**Coal (Used in Boiler House)**			
	Quantity	MT	77,60,731	79,87,409
	Total Amount	Rs in Crs	2,249	2,046
	Average Rate	Rs/MT	2,897	2,562
3	**Furnace Oil & Light Diesel Oil**			
	Quantity	KL	10,237	22,843
	Total Amount	Rs in Crs	53	72
	Average Rate	Rs/KL	51,360	31,721

B) TECHNOLOGY ABSORBTION

FORM B

Research and Development (R&D)

a) Specific areas in which R&D carried out by the Company.

- Detoxification of SPL through outside party. 17475 MT SPL Sold in FY22.
- Anode Coating trail completed in FY 22 to reduce NCC.
- Fall protection arrangement Implemented in crane.
- Conversion of steel drag chain to polyamide drag chain
- New/Lost customer added in wire Rod segments: Polycab, KEI, Lumino - 28500 MT sold till FY22. $1.8 Mn gained over EC ingot.
- EC wire rod conductivity increased from 61.8% (FY21) to 62% (FY22).
- Reduction in Normal EC Wire rod generation from 8% (FY21) to 6% (FY22).
- Reduction in Wire rod rejection from 0.52% (FY21) to 0.25 % (FY22).
- CH -Throughput and volume increment of alloy ingot from 46185MT (FY2021-22) to 57622 MT(FY2021-22)
- Reduction in Melt loss in Cast house 3 from 0.40% (FY21) to 0.34% (FY2) (Lowest ever). Savings 2.9 Cr in FY22. lowest ever melt loss 0.32% achieved in Jan'22
- Retrofitting of mill 4 in cast house 1 converted in T4 mill and commissioning 462 MT produced in Feb'22.
- Vendor development done in cast house spares-steel VNS-36 lakhs annualised savings, Properzy spares developed from CMM AND HIND UDYOG annualised savings 48 lakhs.
- RP- Ramp up of HRP production from 200 MT/ month to 450 MT/month.
- RP -Reduction in internal rejection to 1.46% from 0.97%.
- Lowest ever melt loss in AlSi segment 1.10 % (FY22) previous 1.15 % (FY21).
- Rolled Product Development
  - CRP segment alloy 3105 through continuous caster route
  - CRP segment alloy 19600 through continuous caster route
  - CRP segment alloy 3003 circular blank (for deep drawing applications such as cookware, electronics, etc.)
- HRP segment alloy 5083 (for shipping industry applications)

b) Benefits derived as result of R&D:

- Benefit due to installation of 103 energy saving cathodes – 8.9 crs in FY22
- Conversion of FTP& alumina unloading station from HP air to LP air which deliver 30 MWH

c) Future plan of action:

- Pot line:
  - Pot controller up-gradation by implementation of ALPSYS Pot controller to reduce Pot room specific power consumption in Pot line 2 by 210 kwh/ MT. Capex - $10 Mn, Savings- $5 Mn/ annum. Payback- 1.8 years
  - Increase Anode slot height 237 to 350 mm-Saving 70 KWH/MT. Capex- $3.4 Mn, Savings – $1.6 Mn/ annum. Payback – 2.1 years
  - Fully graphitized 39 pots relining planned in FY20 – Reduction of specific power consumption by 24 kwh/ mt.
  - Reduction in anode to Stub drop ,5 mv by upgrade process & material.

- New AlF_3 Addition logic under development by SAP & COE team
- Further optimization on energy consumption with various trials of energy savings cathode from Balco pot relining design, DC power consumption less than 12300 Kwh/MT.
- Increase in pot line current by 1.2KA – Increase in Metal production.
- Online roof top emission monitoring device installation-fluoride emission monitoring to reduce emission and reduction in Alf3 consumption.

- GAP:
  - Energy saving target by 2200 KWH /day by increasing throughput of GAP1 from 30 TPH to 35 TPH.
- Bake oven:
  - Trial and use of Fitch Fuel catalyst to reduce HFO consumption.
  - Trial and use of NEFS technology to reduce HFO consumption.
- RP:
  - Installation and commissioning of high gauge trimmer for HRC segment.
  - Debottlenecking of RP to reach 130 KT.
- Power:
  - CW Interconnection in 1200MW
  - Turbine Rotor Replacement in U#4 1200MW
  - Efficiency Enhancement of 300MW units
  - CEP VFD Installation in CPP540MW
  - Installation of Side Stream Filters
  - Condenser Tube Replacement in CPP540MW

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

₹ Crore

Particulars	FY 22	FY 21
Capital Expenditure	-	-
Recurring Expenses	1.71	1.37
Total Expenditure	1.71	1.37
R&D Expenditure as a % of total turnover	0.01%	0.01%

e) Technology absorption, adaptation, and innovation

i. Efforts made for technology absorption.

- Potline FTP revamping to reduce AlF_3 by 3 kg/mt
- Energy saving cathode being implemented in pot line. 91% installed with Graphitized cathode blocks
- Conversion of convention diesel fork lifter to Electric powered forklift

ii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:

The initiatives taken by the Company in product development / production of new products have improved the export potential of the Company's products.

Total foreign exchange used and earned during FY 2021-22 is as below:

Foreign exchange earnings: ₹ 6,258 Cr.

Foreign exchange outflow: ₹ 3,706 Cr.

Annexure B:

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
Bharat Aluminium Co. Ltd.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Aluminium Co. Ltd.** (hereinafter called "**the Company**") for the financial year ended March 31, 2022 ["**Audit Period**"] in terms of the engagement letter dated September 14, 2021. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;

2. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;

4. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:

    a) The Mines Act, 1952 and Rules made thereunder.

    b) The Mines and Minerals (Development and Regulation) Act, 1957, and the Rules made thereunder.

    c) The Electricity Act, 2003 and rules and regulations made thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

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

We further report that during the Audit Period, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards, etc.

Equity investment of 26% in Special Purpose Vehicle (SPV):

During the period under review the Board has at its meeting held on March 29, 2022, accorded approval for equity investment of ₹ 250 Crore in the capital of a SPV. Such investments is in the form of 26% equity stake through ordinary equity and equity instruments for procurement of renewable power.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar
Partner
Membership No.: A37398
CP No.:15113
UDIN: A037398D000161346
Peer Review Certificate No.: 781/2020

Place: New Delhi
Date: April 19, 2022

The report is to be read with our letter of even date which is annexed as Annexure 'I' and forms and integral part of this report

Annexure-I to Secretarial Audit report

AUDITOR AND MANAGEMENT RESPONSIBILITY

To,
The Members,
Bharat Aluminium Co. Ltd.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. We have conducted online verification & examination of records, as facilitated by the Company;

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;

6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;

7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;

9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;

10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure-II

LIST OF DOCUMENTS

1. Scanned unbound minutes for the meetings of the following held during the Audit Period:
    a. Board of Directors;
    b. Audit Committee;
    c. Nomination and Remuneration Committee;
    d. Corporate Social Responsibility Committee;
    e. Finance Standing Committee;
    f. Annual General Meeting;
2. Proof of circulation of draft and signed minutes of the Board Committee meetings' minutes on a sample basis;
3. Annual Report for financial year 2020-21;
4. Memorandum of Association and Articles of Association of the Company;
5. Financial Statements and Auditor's Report for financial year 2021-22
6. Directors disclosures under the Act and rules made thereunder;
7. Statutory Registers maintained under the Act;
8. Forms filed with the Registrar;
9. Policies framed under Act, 2013;

Annexure C:

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief Outline on the CSR Policy of the Company

Bharat Aluminium Company Limited firmly believes in the coexistence of business and communities and is committed to the development of an eco-system of prosperity in the society around operations.

As a responsible corporate citizen, we believe that our neighbourhood communities are our primary stakeholders, and we seek to build mutually supportive relationships with them. It is this integration of business and CSR which provides us the social licence to operate and ushers in a different developmental paradigm towards sustainable change in society. As part of our CSR policy, we believe in partnering with government agencies, development organisations, corporates, civil societies & community-based organisations to implement durable and meaningful initiatives.

We also believe that our employees have the potential to contribute towards building strong communities through sharing their knowledge and expertise. Hence, we proactively create opportunities whereby employees can also connect and contribute.

The Company complies with Section 135 of the Act and the approach is focused on long-term programmes aligned with community needs and national priorities, including Sustainable Development goals.

At Bharat Aluminium Company limited, business success is not just about profits and shareholder returns. We believe in pursuing wider socioeconomic and cultural objectives and have always endeavoured to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

The detailed CSR Policy of the Company is available on Company's website at: CSR_Policy_19th_May_2021.pdf (d2z1l9uefzbzxd.cloudfront.net)

2. The composition of CSR Committee is as under:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year.	Number of meetings of CSR Committee attended during the year
1	Mr. Arun Todarwal	Chairman, ID & Non-Executive Director	3	3
2	Mr. S.K. Roongta	Non-Executive Director	3	3
3	Mr. Abhijit Pati	CEO & WYD	3	3
4	Mr. T K Chand*	ID & Non-Executive Director	2	2
5	Ms. Nirupama Kotru **	Government Nominee Director	1	1

* Mr. T. K. Chand resigned as an Independent Director w.e.f. 23rd July 2021.

** Ms. Nirupama Kotru was appointed as Government Nominee Director w.e.f. 04th August 2021.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

https://www.balcoindia.com/csr/overview/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Cr.)	Amount required to be set-off for the financial year, if any (in ₹ Cr.)
1	2021-22	46.06	12.52
2	2022-23	73.49	

6. Average net profit of the company as per section 135(5): **₹ 625.83 Cr.**

7. a. Two percent of average net profit of the company as per section 135(5): **₹ 12.52 Cr.**

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

c. Amount required to be set off for the financial year, if any **NIL**

d. Total CSR obligation for the financial year (7a+7b-7c) **₹ 12.52 Cr.**

8. (a) CSR amount spent or unspent for the financial year:

Amount spent for the Financial Year (in ₹ Cr)	Amount Unspent (in ₹ Cr)				
	Total Amount Transferred to		Amount transferred to any fund specified under schedule VII as per second provision to		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
39.95	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: ₹ 3.69 Cr

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration (In year)	Amount allocated to the project (₹ In Cr.) for FY 22	Amount spent in the current financial Year (₹ In Cr.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration
1	Project Connect	(ii)	Yes	Chhattisgarh	Korba	3	0.25	0.20	NIL	Implementing Agency	Sarthak jan Vikas Sansthan	CSR00001813
2	Vedanta Skill School	(ii)	Yes	Chhattisgarh	Korba, Kawardha & Surguja	3	0.71	0.71	NIL	Implementing Agency	Social Empowerment & Economic Development Society	CSR00000657

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration (In year)	Amount allocated to the project (₹ In Cr.) for FY 22	Amount spent in the current financial Year (₹ In Cr.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration
3	Project land & Water Management (Mor Jal Mor Maati)	(ii)	Yes	Chhattisgarh	Korba	4	0.85	0.84	NIL	Implementing Agency	Action for Food Production	CSR00000958
4	Project Unnati	(iii)	Yes	Chhattisgarh	Korba	3	1.00	1.00	NIL	Implementing Agency	Drishtee Foundation GPR Strategies & Solutions	CSR00000747
5	Project Menstrual Health Management	(i)	Yes	Chhattisgarh	Korba	3	0.43	0.42	NIL	Implementing Agency	Sarthak Jan Vikas Sansthan	CSR00000958 CSRO0002034
6	Project Arogya	(i)	Yes	Chhattisgarh	Korba	3	0.35	0.34	NIL	Implementing Agency	Social Revival Group of Urban, Rural and Tribal	CSRD0001960
7	Mobile Health Van	(i)	Yes	Chhattisgarh	Korba	3	0.18	0.18	NIL	Implementing Agency	Helpage India	CSR00000185
	Ongoing Project						**3.76**	**3.69**				-

(c) Details of CSR amount spent against other than ongoing projects for the financial year: ₹ 35.51 Cr

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount allocated to the project (₹ In Cr.) for FY 22	Amount spent in the current financial Year (₹ In Cr.)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District.				Name	CSR Registration
1	Sulabh Shauchalya	(i)	Yes	Chhattisgarh	Korba	0.04	0.03	Direct		
2	BALCO Medical Center	(i)	Yes	Chhattisgarh	Raipur	30.00	27.54	Implementing Agency	Vedanta Medical Research Foundation	Registered
3	Child care center	(ii)	Yes	Chhattisgarh	Korba	0.08	0.08	Direct	-	-
4	Covid Relief	(xii)	Yes	Chhattisgarh	Korba	8.00	7.05	Implementing Agency & Direct	Social Revival Group of Urban, Rural and Tribal	CSR00001960
5	Community Development including Community Asset creation	(x) & (xi)	Yes	Chhattisgarh	Korba	0.75	0.39	Direct	-	NA
6	Other Rural & Community Devp initiatives	(x)	Yes	Chhattisgarh	Baloda Bazar	0.40	0.28	Implementing Agency	GPR Strategies & Solutions	CSR00002034
7	Support to School	(ii)	Yes	Chhattisgarh	Korba	0.15	0.15	Direct		NA
	TOTAL					**39.41**	**35.51**			

(d) Amount spent in Administrative Overheads (₹ In Cr.) **₹ 0.75 Cr**

(e) Amount spent on Impact Assessment if applicable **NIL**

(f) Total amount spent for the Financial Year(8b+8c+8d+8e) **₹ 39.95 Cr**

(g) Excess amount for set off, if any

Sl. No.	Particular	₹ in Cr.
(i)	Two percent of average net profit of the company as per section 135(5)	12.52
(ii)	Total amount spent for the Financial Year	39.95
(iii)	Excess amount spent for the financial year [(ii)-(i)]	27.43
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	27.43

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspend CSR Account Under	Amount Spent in the reporting Financial year	Amount Unspent (in ₹ Cr.)			Amount remaining to be spent in Succeeding
				Name of the fund	Amount (in ₹).	Date of transfer.	
1	2019-20	NA	NA	NA	NA	NA	NA
2	2018-19	NA	NA	NA	NA	NA	NA
3	2017-18	NA	NA	NA	NA	NA	NA
	Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year In which the Project was Commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting financial year. (in ₹)	Cumulative amount spent at the end of reporting Financial year. (in ₹)	Status of the project- Completed / Ongoing.
1	NA	NA	NA	NA	NA	NA	NA	NA
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). **NIL**

(b) Amount of CSR spent for creation or acquisition of capital asset **NIL**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **NIL**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **NA**

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

Sd/-
CEO & WTD

Sd/-
Chairman (CSR Committee)

Sd/-
[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable)

Date: 21st April 2022

Annexure D:

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2022

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1	CIN	U74899DL1965PLC004518
2	Registration Date	27/11/1965
3	Name of the Company	Bharat Aluminium Company Limited
4	Category/Sub-category of the Company	Category-Public Company Sub-Category- Limited by Shares
5	Address of the Registered office & contact details	Aluminium Sadan Core-6, Scope Office Complex,7 Lodhi Road, New Delhi- 110 003
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	RCMC Share Registry Pvt. Ltd. B-25/1, First Floor, Okhla Industrial Area, Phase – 2 New Delhi – 110 020.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	Total turnover of the Company (₹ Cr)	% to total turnover of the company
1	Aluminium Production	24202	12879	95%
2	Power Generation & Transmission	35102	728	5%
	Total		**13607**	**100%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND SUBSIDIARY COMPANIES

S. No.	Name of Company	Address of Company	CIN	Holding	% of Shares	Applicable Section
1.	Vedanta Ltd.	1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai 400093, Maharashtra Email id: Comp.Sect@vedanta.co.in T:+91 22 66434500: Fax: +91 22 66434530; Website: www.vedantalimited.com	L13209MH1965PLC291394	Holding	51%	2(46)

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1st April 2019				No. of Shares held at the end of the year 31-March-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF									
b) Central Govt.					NIL				
c) State Govt.(s)									
d) Bodies Corp.-Vedanta Ltd.	112518495	-	112518495	51%	112518495	112518495	112518495	51%	-
e) Banks / FI					NIL				
f) Any other									
Total shareholding of Promoter (A)	**112518495**	**-**	**112518495**	**51%**	**112518495**	**112518495**	**112518495**	**51%**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds					NIL				
b) Banks / FI									
c) Central Govt.	-	108106005	108106005	49%	-	108106005	108106005	49%	-
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies					NIL				
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others –Vedanta Ltd.									
Sub-total (B)(1):-	**-**	**108106005**	**108106005**	**49%**	**-**	**108106005**	**108106005**	**49%**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh					NIL				
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**108106005**	**108106005**	**49%**	**-**	**108106005**	**108106005**	**49%**	**-**
C. Shares held by Custodian for GDRs & ADRs					NIL				
Grand Total (A+B+C)	**112518495**	**108106005**	**220624500**	**100%**		**220624500**	**220624500**	**100%**	

B) Shareholding of Promoter-

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Vedanta Limited	112518495	51%	NA	112518495	51%	NA	NA

C) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NIL			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
3	At the end of the year				

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NIL			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g., allotment / transfer / bonus/ sweat equity etc.):				
3	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NIL			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g., allotment / transfer / bonus/ sweat equity etc.)				
3	At the end of the year				

V) INDEBTEDNESS

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

(₹ in Cr.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3033	0	0	3033
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	11	0	0	11
Total (i + ii+ iii)	**3045**	**0**	**0**	**3045**
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	1954	0	0	1954
Net Change	**-1954**	**0**	**0**	**-1954**
Indebtedness at the end of the financial year				
i) Principal Amount	1079	0	0	1079
ii) Interest due but not paid	-	-	-	0
iii) Interest accrued but not due	4	-	-	4
Total (i + ii+ iii)	**1082**	**0**	**0**	**1082**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Mr. Abhijit Pati CEO & WTD
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	449.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	41.50
2	Stock Option	76.64
3	Others, please specify.	
	Total (A)	**567.98**
	Ceiling as per the Act	17851.60

B. REMUNERATION TO OTHER DIRECTORS

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	**Independent Directors**	**Mr. D. D. Jalan**	**Mr. Arun Todarwal**	**Mr. T. K. Chand[1]**	
	a) Fee for attending Board/ Committee meetings	6.00	7.25	2.00	15.25
	b) Commission	14.96	13.13	4.67	32.76
	Total (1)(i)	**6.00**	**7.25**	**2.00**	**48.01**
2	**Other Non-Executive Directors**	**Mr. S K Roongta**	**Mr. Tarun Jain**		
	Fee for attending Board/ Committee meetings	5.50	**5.75**	-	11.25
	b) Commission	16.00	13.13		29.13
	Others, please specify	-	-	-	-
	Total (2)	**5.50**	**5.75**	**-**	**40.38**
	Total Managerial Remuneration				**88.39**
	Overall Ceiling as per the Act	NA	NA	NA	NA

1 Mr. T. K. Chand ceased to be a Non-Executive Independent Director of the Company w.e.f. 23rd July 2021.

D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in Lakhs

S. No.	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Rahul Roongta Ex-CFO (till 23rd Aug 21)	Mr. Vinod Mathur Ex-CS (till 15th Sept 21)	Mr. Amit Gupta CFO (w.e.f 24th Aug 21)	Mr. Prateek Jain Company Secretary (w.e.f. 10th Dec 21)	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37.88	25.76	57.87	10.41	131.92
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.69	1.54	3.57	0.00	7.80
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option	-	-	25.93	-	36.69
	Total	**40.57**	**27.30**	**87.38**	**10.41**	**165.66**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment			NIL		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

Annexure E:

NOMINATION POLICY

1. Legal Framework & Objective

Section 178 of the Companies Act, 2013 ("Act") read with the applicable Rules thereto require the Nomination and Remuneration Committee ("NRC") of the Board of Directors of every listed company, among other classes of companies, to:

a. Identify persons who are qualified to become directors and who may be appointed in a KMP role in accordance with the criteria laid down and recommend to the Board their appointment and removal.

b. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

c. Devising a policy on diversity of board of directors.

d. Specify the manner and criteria for effective evaluation of the performance of the Board, its committees, and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance. Basis the performance evaluation results of independent directors, decide whether to extend or continue their term of appointment or not.

e. Recommend to the board of directors a policy relating to the remuneration of the directors, KMP and other employees including SMP.

This policy shall act as a guideline on some of the above-mentioned objectives of the NRC.

2. Definitions:

a. Board means Board of Directors of the Company.

b. Committee means the Nomination & Remuneration Committee

c. Directors mean Directors of the Company.

d. Independent Director means as provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013.

e. Key Managerial Personnel (KMP) means: -

- Chief Executive Officer or the Managing Director or the Manager;
- Whole Time Director;
- Chief Financial Officer;
- Company Secretary; and
- Such other officer as may be prescribed

f. Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors and including Functional Heads, viz., the Executive Committee (EXCO) of the Company.

3. Composition and Chairmanship

The membership of the Committee shall consist of at least three non-executive directors, out of which not less than one half shall be Independent Directors. The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member but shall not chair such committee. The Chairperson of the committee shall be an independent director and shall be appointed by the Board. In case the Chairperson is not present at any committee meeting, the members present at the meeting shall, amongst themselves, elect a Chairperson for that meeting. The membership of the Committee shall be disclosed in the annual report.

4. Appointment and removal of Director & KMP:

The Committee shall evaluate the balance of knowledge, skill, professional & functional expertise, industry orientation, gender, age etc. on the Board and, in the light of this evaluation, prepare and recommend to the Board, a description of the role and capabilities required for a particular appointment. In case of Directors, and KMPs, in addition to the above specifications the NRC shall ensure that the potential candidates possess the requisite qualifications and attributes as per the Applicable Laws. With respect to removal of any Director and KMP, the NRC shall in consultation with either the

Chairman, other Directors or CEO (as appropriate), review the performance and/or other factors meriting a removal and subject to the provisions of the applicable Laws and the Articles of Association of the Company, recommend to the Board its course of action.

5. Board Familiarization and learning:

The NRC will adopt a structured program for orientation and training of Independent & Non-Executive Directors at the time of their joining so as to enable them to understand the Company - its operations, business, industry, and environment in which it operates. The company has a separately defined Familiarization Program for the Directors which also focus to update the Directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decisions.

6. Performance Evaluation of the Board, its committees, and individual directors:

Each year, the NRC will formulate the criteria and the process for evaluation of performance of the Board, Individual Directors, Chairperson, and the Committees of the Board and recommend the same to the Board. The evaluation shall be carried out either by the Board, by the Committee or by an independent external agency and the NRC shall review its implementation and compliance with Applicable laws as well as the criteria and process lay out.

The evaluation of the Independent Directors shall be done by the entire board of directors which shall include:

a. Performance of the directors; and

b. Fulfilment of the independence criteria as specified and their independence from the management as specified under Applicable Laws.

Directors who are subject to this evaluation shall not participate in their own evaluation. The independent directors of the Company shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting. The independent directors in their separate meeting shall, inter alia:

i) Review the performance of non-independent directors and the board of directors as a whole.

ii) Review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.

iii) Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Basis the evaluation results, the NRC will make its recommendations to the Board on the appointment / re-appointment / continuation of Directors on the Board.

7. Board Diversity:

The Committee in their nomination process and while making recommendations to the Board shall endeavour to have an optimum combination of directors from different fields/walks such as Management, Legal, Finance, Marketing, Human Resources, Bureaucracy, Public Policy etc. and adequate representation of Women directors on the Board. While reviewing the composition of the Board, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above.

8. Succession Planning:

The NRC shall draft and recommend to the Board a succession plan for the appointments made to the Board of Directors as well as KMPs. The NRC shall review such plan on an annual basis and recommend revisions, if any, to the Board. The NRC shall work with the management and follow the following process for effective succession planning:

i.) Assessment of potential employees and creation of a leadership pool.

ii.) Development of the talent pool through actions such as involvement in strategic meetings, leadership workshops with top management, coaching, anchoring, job rotations, role enhancement, council memberships and involvement in cross function projects etc.

REMUNERATION POLICY

The Committee will recommend policy relating to remuneration payable to Directors, Key Managerial personnel, and Senior Management. The same shall be subject to the approval of the shareholders of the Company and the Central Government, wherever required.

Guiding Principles of the Executive compensation program are:

- **Alignment with Business Strategy and Level of Responsibility & Impact:** As employees progress to higher levels in the organisation, their performance has a greater direct impact on the strategic initiatives and business results.
- **Fixed/ Base Salary Decisions:** The Executives' fixed salary shall be competitive and based upon the industry practice and benchmarks considering the skill & knowledge, experience, and job responsibilities.
- **Pay-for-Performance:** A large portion of each Executive's total compensation is linked to the achievement of Company and individual performance goals. Such variable compensation is "at risk", and rewards performance and contributions to both short-term and long-term financial performance of the Company.
    - **Performance Bonus Plan:** The Performance Bonus Plan rewards contribution to the achievement of the Company's annual financial, strategic, and operational goals and individual KRAs. The Performance Bonus drives high performance culture to achieve the organisation's objectives by differentiating rewards based on performance. The performance will be related to the fulfilment of various targets and attainment of business objectives, both at the Company and individual level.
    - **Short/Long Term Incentives:** Executives' compensation is linked to long-term stock price appreciation, and shareholder value creation through the Company's Long- term Incentives (LTI) plan. The LTI Plan balances Executives' performance orientation and decisions to deliver on the short-term business outcomes with the long-term performance of the Company, both on financial and non-financial parameters.
- **Competitive in Market place:** We compete for talent globally. In order to attract and retain a highly skilled workforce, we must remain competitive with the pay of other employers who compete with us for talent.

Remuneration to Non-Executive / Independent Director

a) Sitting Fees

The Non-Executive Director/Independent Director may receive remuneration by way of fees for attending the meetings of the Board or Committee thereof provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

b) Stock Options

An Independent Director shall not be entitled to any stock options of the Company.

c) Yearly Fee/Commission

The yearly fee/commission may be paid within the monetary limit approved by the shareholders subject to the limit not exceeding 1% of the net profit of the Company as per the applicable provisions of Companies Act, 2013.

Interpretation

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and rules prescribed therein, as may be amended from time to time and per the Listing Agreement with Stock Exchange(s)as may be amended from time to time, shall have the meaning respectively assigned to them therein.

Amendments in Law

Any subsequent amendment/modification in the Companies Act, 2013 and/or the listing agreement and/ or other applicable laws in this regard shall automatically apply to this Policy.

REPORT ON CORPORATE GOVERNANCE

Company's Governance Philosophy

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

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

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

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

Compliance with Corporate Governance Guidelines

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

Role of the Company Secretary in overall Governance Process

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

The Board of Directors

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

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

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

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

The Board currently comprises of 8 (eight) Directors out of which, 2 (two) are Non-Executive, Non-Independent Directors, 1 (one) Executive & Whole Time Director, 3 (three) GOI Nominee Director and remaining 2 (two) are Independent Directors. The maximum tenure of the Independent Directors is in compliance with the Companies

Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Act. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on March 31, 2022.

Director's Profile:

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

Chairman and other Key Managerial Personnel (KMP's)

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

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

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

Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses. The Board / Committee Meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The notice of Board / Committee Meetings is given well in advance to all the Directors.

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

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

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

Number of Board Meetings

Eight (8) Board meetings were held during the financial year as against the statutory requirement of four meeting. All Directors have demonstrated high levels of availability and responsiveness for additional meetings and discussions whenever these have been required. The maximum gap between any two meetings was not more than one hundred and twenty (120) days.

Table1: Details of attendance at Board Meeting:

Date of Board Meeting	Board Strength	No of Directors present
22nd April 2021	9	7
23rd June 2021	9	7
22nd July 2021	9	7
23rd August 2021	8	7
20th October 2021	8	6
10th December 2021	8	8
21st January 2022	8	8
29th March 2022	8	7

Attendance and Directorships Held

Composition of the Board, other Directorship(s)/Committee Membership(s)/ Chairmanship(s) as on 31st March 2022 and attendance of directors at Board Meetings, Last Annual General Meeting (AGM) are as given in Table 1.

Table1:

S.N	Full Name	Category	Relationship with Other Director	DIN	No. of Board Meeting Held During His/Her tenure and attended in 2021-22		Weather Attended Last AGM	No. Of Directorship in Public Companies#	No.of committee Position held@	
					Held	Attended			Chairman	Member
1	Mr. S.K. Roongta	NED	None	00309302	8	8	No	9	4	13
2	Mr. Tarun Jain	NED	None	00006843	8	7	No	1	-	1
3	Mr. Abhijit Pati	ED	None	08457230	8	8	Yes	1	-	1
4	Mr. Alok Chandra[3]	ND	None	06929789	3	2	No	2	-	-
5	Mr. D.D.Jalan	ID & NED	None	00006882	8	7	Yes	4	3	4
6	Mr. Arun Todarwal	ID & NED	None	00020916	8	8	Yes	6	7	4
7	Mr.T.K. Chand[1]	ID & NED	None	01710900	3	3	No	1	-	-
8	Mr. Mustaq Ahmad	ND	None	08630622	8	5	No	1	-	-
9	Ms. Yatinder Prasad[2]	ND	None	08564506	3	0	No	3	-	-
10	Ms. Nirupama Kotru[2]	ND	None	09204338	5	5	No	0	-	2
11	Mr. Shakil Alam[3]	ND	None	09272903	5	4	No	0	-	-

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

Excluding Private limited Companies, Foreign Companies, Section 8 Companies & alternate Directorship

@ Considered Audit Committee, NRC Committee, Stakeholder Relationship, Risk Management

1. Ceased as Independent Director due to resignation on 23rd July 2021.

2. Ms. Nirupama Kotru was appointed as Gov. Nominee Director in place of Ms. Yatinder Prasad w.e.f. 04th Aug 2021

3. Mr. Shakil Alam was appointed as Gov. Nominee Director in place of Mr. Alok Chandra w.e.f. 04th Aug 2021

Flow of information to the Board:

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

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

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

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

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

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

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

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

Remuneration to Directors

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

The Company pays sitting fees of ₹ 50,000/- per meeting of the Board and ₹ 25,000/- per meeting of the Audit Committee and any other Committee thereof, to the Non-Executive/Independent Directors (except Govt. Nominee Director).

Remuneration to Executive Director

The remuneration of the Mr. Abhijit Pati, CEO and Whole Time Director is in consensus with the Company's size, industry practice and overall performance of the Company. The Nomination and Remuneration Committee submits its recommendation to the Board, which after considering the recommendation takes decision on the remuneration payable to Mr. Abhijit Pati, CEO and Whole Time Director (which also includes annual increments and performance bonus) in accordance with the provisions of the Companies Act, 2013.

For FY 2022, the total remuneration is as shown in Table 2A and Table 2B.

Table 2 A: Sitting fee and Commission paid to Directors (NED & ID) for FY 2022 (₹)

Name	Category	Sitting Fees Paid	Commission Paid	Total Payment paid/payable (FY 2021-22)
Mr. S K Roongta	NED	5,50,000	16,00,000	5,50,000
Mr. D.D. Jalan	ID & NED	6,00,000	14,96,000	6,00,000
Mr. Arun Todarwal	ID & NED	7,25,000	13,13,000	7,25,000
Mr. T. K. Chand[1]	ID & NED	2,00,000	4,67,000	2,00,000
Mr. Tarun Jain	NED	5,75,000	13,13,000	5,75,000

[1] Ceased as Director due to resignation on 23rd July 2021

Table 2 B: Remuneration paid to Executive Director for FY 2022 (₹)

Name of Director	Category	Salary, perquisite & other	Stock Option	Total
Mr. Abhijit Pati	CEO & WTD	491	77	568

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

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

During FY 2021-22, the Company did not advance any loan to any of its directors.

Selection / Appointment procedure

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

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

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

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

Board Independence

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

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

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

Separate Independent Directors' Meetings

Independent Directors play a crucial role in ensuring an efficient and transparent work environment, hence all the Independent Directors of the Company separately met once during the financial year 2021-22 without the presence of any of non-independent directors and/or any of the members of the management on 29th March 2022 without the presence of Non- Independent Directors and members of the management inter alia to discuss:

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

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board meeting and have been implemented.

Director's Induction and Familiarisation

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

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

Director Retiring by Rotation

In accordance with the provisions of Act and the Articles of Association of the Company, Mr. S K Roongta (DIN-00309302) would retire in upcoming AGM and being eligible, is retiring by rotation and has offered himself for re- appointment. The Board has recommended his re-appointment.

Committees of the Board

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

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

1. Audit Committee

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

Mr. D. D. Jalan - Chairman (Independent Director)

Mr. Arun Todarwal - Member (Independent Director)

Mr. Tarun Jain - Member (Non-Executive Director)

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

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

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

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

The time gap between any two meetings was less than four months. The Committee met seven times on 22nd April 2021; 23rd June 2021; 19th July 2021; 22nd July 2021; 20th October 2021; 21st January 2022 and 29th March 2022. The details of Audit Committee are given in Table 3.

Table 3: Attendance Record of Audit Committee meeting (₹)

Name of Member	Position	Status	No. of Meeting held	No. of Meeting Attended	Sitting Fees (₹)
Mr. D. D. Jalan	Chairman	ID & NED	7	7	1,75,000
Mr. Tarun Jain	Member	NED	7	7	1,75,000
Mr. Arun Todarwal	Member	ID & NED	7	7	1,75,000

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

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

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

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

- Management Discussion and Analysis of Financial Condition and result of Operations.
- Statement of Significant related party transactions (as defined by the Audit Committee) submitted by the management.
- Internal Control Weakness as identified by Statutory Auditors.
- Internal Auditor Report relating to Internal Control Weakness.

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

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

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

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

2. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee was comprising Mr. Arun Todarwal as the Chairman, Mr. S K Roongta and Mr. Abhijit Pati and Mr. T K Chand as the Members of the Committee till 23rd July 2021. Due to cessation of Directorship of Mr. T K Chand, the formation of the committee changed. Further Ms. Nirupama Kotru a Government Nominee Director joined Balco Board on 04th August 2021 and CSR Committee member on 10th December 2021.

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

The detailed terms of reference of the Corporate Social Responsibility Committee are contained in the 'Corporate Governance Code' which is available on the website of the Company at CSR_Policy_19th_May_2021.pdf (d2z1l9uefzbzxd.cloudfront.net)

During the financial year ended 31st March 2022, the Committee met three (3) times on 2nd April 2021; 17th May 2021 and 20th January 2022.

Table 4: Attendance Record of Corporate Social Responsibility Committee meeting (₹)

Name of Member	Position	Status	No. of Meeting held	No. of Meeting Attended	Sitting Fees (₹)
Mr. Arun Todarwal	Chairman	ID & NED	3	3	75,000
Mr. S K Roongta	Member	NED	3	3	75,000
Mr. Abhijit Pati	Member	WTD	3	3	-
Mr. T K Chand[1]	Member	ID & NED	2	2	50,000
Ms. Nirupama Kotru	Member	Govt. Director	1	1	-

[1] Ceased as Director on 23rd July 2021

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

During the financial year, the Company has spent ₹39.95 Crore on CSR activities.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised Mr. D. D. Jalan as the Chairman, Mr. S K Roongta and Mr. Arun Todarwal as the Members of the Committee.

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

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

During the year, the Nomination and Remuneration Committee met three (3) times on 22nd April 2021, 17th August 2021 & 10th December 2021. The details of Nomination and Remuneration Committee are given in Table 5.

Table 5: Attendance Record of Nomination and Remuneration Committee meeting (₹)

Name of Member	Position	Status	No. of Meeting held	No. of Meeting Attended	Sitting Fees (₹)
Mr. D. D. Jalan	Chairman	ID & NED	3	3	75,000
Mr. S K Roongta	Member	NED	3	3	75,000
Mr. Arun Todarwal	Member	ID & NED	3	3	75,000

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

4. Finance Standing Committee

The Finance Standing Committee (FSC) of Directors is entrusted with the responsibility to consider and approve the finance and treasury related proposal within the overall limits approved by the Board. The Committee comprises of Mr. Tarun Jain as Chairman and Mr. Abhijit Pati as Member. The Company meets as and when required.

Board Evaluation

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

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

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

Succession Planning:

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

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

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

Financial Year ended on	Date	Time	Venue	Special Resolution passed
31st March 2021	17th September 2021	03:00 P.M.	Through video conferencing ("VC")	-
31st March 2020	26th August 2020	03:00 P.M.	Through video conferencing ("VC")	Appointment of Mr. Abhijit Pati as Whole Time Director of the Company
31st March 2019	24th June 2019	03:00 P.M.	Aluminium Sadan, Scope office Complex, Core-6,7 Lodhi Road, New Delhi-110003	-

The 56th Annual General Meeting of the members of the Company will be on Monday 27th June 2022, at 3:30 P.M, through video conferencing ("VC") / other audio-visual means ("OAVM") pursuant to the MCA Circular dated May 5, 2022 and as such there is no requirement to have a venue for the AGM.

GOVERNANCE AND COMPLIANCE

I. Code of Business Conduct & Ethics

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

II. Whistle Blower Policy

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

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

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

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

The Whistle Blower Policy forms part of the Code of Business Conduct and Ethics, and the same has been displayed on the Company's website at https://www.balcoindia.com/sustainability/policies-standards/sustainability-policies/. It is also affirmed that no personnel have been denied access to the Audit Committee.

III. Internal Control System

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

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

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

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

IV. Risk Mitigation Plan

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

V. Compliance

Our compliance systems cover a multitude of statutory obligations and ensures adherence to all applicable laws and regulations. During FY 2022, no material and uncontested financial or non-monetary sanctions were imposed upon the Company except as disclosed in the Financial Statements. Some of the key compliance aspects are dealt with below:

(a) Disclosure of Related party transaction:

Pursuant to Section 188 of the Companies Act, 2013, all the Related Party Transactions were at arm's length price and the same were duly approved by the Audit Committee.

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

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

(c) CEO & CFO Certificate:

The CEO and CFO certification of the Financial Statements for FY 2022 is enclosed at the end of this report. **(Annexure-1)**

(d) The Company is complied with all mandatory requirements of SEBI (LODR) Regulations, 2015 including discretionary requirements.

Shareholding Pattern by Ownership as on March 31, 2022

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

ANNEXURE-I CEO & CFO CERTIFICATION

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

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

  (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (2) These statements together present a true and fair view of the Company's affairs and are in-compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered-into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have not noticed any deficiency in the design of operation of such internal controls, or of which we are aware that needs to be rectified or informed to the auditors and the Audit Committee.

D. During the year it was disclosed to the Auditors and the Audit Committee that:

  (1) There were no significant changes in internal control over financial reporting;

  (2) No significant changes in accounting policies were made during the year; and

  (3) We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements.

Abhijit Pati
Chief Executive Officer & WTD

Amit Gupta
Chief Financial Officer

Place: Gurugram
Date: 21st April 2022

Operations

I. Korba

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

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

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

Financial Statements

Independent Auditor's Report

To the Members of **Bharat Aluminium Company Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bharat Aluminium Company Limited ("the Company"), which comprise the Balance sheet as of March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit/ loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report agree with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 & 40 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 43 to the financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiary(ies)") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary(ies);

b) The management has represented that, to the best of its knowledge and belief, , no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Party(ies)"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified, in any manner whatsoever, by or on behalf of the Funding Party(ies) ("Ultimate Beneficiary(ies)") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries Beneficiary(ies); and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representation set out in sub clauses (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar
Partner
Membership Number: 055596
UDIN: 22055596AHOEJS7725
Place of Signature: Kolkata
Date: April 21, 2022

Annexure 1 referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

TO THE MEMBERS OF **BHARAT ALUMINIUM COMPANY LIMITED**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All property, plant and equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations provided to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements have been duly executed in favour of the Company) disclosed in note 4 to the financial statements are held in the name of the Company except for the 2 immovable properties mentioned below for which title deeds have not been made available to us. Consequently, we are unable to comment on the same.

Description of Property	Gross carrying value- as at March 31, 2022 ₹ In Crs.	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company, Also indicate if in dispute
Land	3.60	National Thermal Power Corporation Ltd (NTPC)	No	Since 20th June 2002, as informed by management	The 206.18 acres land transferred to the Company by NTPC is yet to be registered in favour of the Company due to non-availability of title deeds from NTPC. 'In this matter, arbitration was held where the Ld. Arbitrator passed the award in favour of the Company but directed that transfer of title deeds of land will be effected by the Central Government with the assistance of State Government. The Company has filed a petition before the Hon'ble Delhi High Court for transfer of title.
Land	0.01	Government of Chhattisgarh	No	1st April 1980 as informed by the management	For freehold land of 949 acres acquired by the Government and handed over to the Company, the Company has copies of certificates issued by the Tehsildar, Government of Chhattisgarh for 920 acres only.

(d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventories have been physically verified by the management during the year except for those lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at the year end and no discrepancy in excess of 10% in aggregate between such confirmations and books and records maintained by the Company for each class of inventory has been identified.

(b) As disclosed in note 22 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and/or financial institutions during the year against security of its current assets. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations provided to us, during the year the Company has not provided loans, advances in the nature of loans, stood guarantees or securities to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order is not applicable and hence not commented upon.

(iv) According to the information and explanations provided to us, there are no loans granted, investments made, guarantees and securities given by the Company to which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable and hence not commented upon.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable and hence not commented upon.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of Company's products and generation of electrical energy and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have, however, not made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other applicable statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. During the year, the Company did not have any undisputed dues towards sales tax, service tax, duty of excise and value added tax. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of applicable statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, refer Annexure 1 (a) for the details of the cases.

(viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed an income in tax assessments during the year under the Income tax Act, 1961 any transaction, previously not recorded in the books of account. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable and hence not commented upon.

(ix) (a) According to information and explanations provided to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable and hence not commented upon.

(b) According to information and explanations provided to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to information and explanations provided to us and based on the overall examination of the financial statements, term loans obtained by the Company were applied for the purpose for which these loans were obtained.

(d) According to the information and explanations provided to us and based on the overall examination of the financial statements, no funds raised by the Company on short-term basis have been used for long-term purposes.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company and hence not commented upon.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company and hence not commented upon.

(x) (a) According to the information and explanations provided to us, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable and hence not commented upon.

(b) According to the information and explanations provided to us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable and hence not commented upon.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations provided to us, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor or secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) In our opinion, we have taken into consideration the whistle blower complaints received by the Company during the year as made available to us by the management while determining the nature, timing and extent of audit procedures.

(xii) In our opinion, the Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirements to report on clause 3(xii) (a) (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the notes to the financial statements for the year, as required by applicable accounting standards.

(xiv) (a) In our opinion and according to the information and explanations provided to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) In our opinion and according to the information and explanations provided to us, the internal audit reports pertaining to the year under audit that have been issued till the date of this audit report, have been considered by us while determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, requirement to report on clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.

(xvi) In our opinion and according to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) to (d) of the Order is not applicable and hence not commented upon.

(xvii) According to the information and explanations provided to us, the Company has not incurred cash losses in the current year and in the immediately preceding financial year. Accordingly, the requirement to report on clause 3(xvii) of the Order is not applicable and hence not commented upon.

(xviii) There has been no resignation of statutory auditors of the Company during the year. Accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable and hence not commented upon.

(xix) In our opinion and according to the information and explanations provided to us and on the basis of the financial ratios disclosed in note 47 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of our audit report that Company is not capable of meeting its liabilities as at the date of balance sheet as and when they fall due within a period of one year from the date of balance sheet. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that the Company will not be able to meet all liabilities as and when they fall due within a period of one year from the date of balance sheet.

(xx) (a) In our opinion and according to the information and explanations provided to us, there are no unspent amounts in respect of projects other than those ongoing that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in accordance with second proviso to sub section 5 of section 135 of the Act. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable and hence not commented upon.

(b) In our opinion and according to the information and explanations provided to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in accordance of provision of sub section (6) of section 135 of Companies Act. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable and hence not commented upon.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

per Bhaswar Sarkar
Partner
Membership Number: 055596
UDIN: 22055596AHOEJS7725
Place of Signature: Kolkata
Date: April 21, 2022

Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Bharat Aluminium Company Limited

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

To the Members of **Bharat Aluminium Company Limited**

We have audited the internal financial controls with reference to financial statements of Bharat Aluminium Company Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to [standalone] financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Bhaswar Sarkar**
Partner
Membership Number: 055596
UDIN: 22055596AHOEJS7725
Place of Signature: Kolkata
Date: April 21, 2022

Annexure 1(a) referred to in paragraph (vii)(b) of Annexure 1 referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

Name of the statute	Nature of the dues	Amount (₹ in Crs)	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest (₹ in Crs)
Chhattisgarh Upkar (Sanshodhan) Adhiniyam, 2004	Demand for Energy Development Cess	1,051.76	FY 2004-05 to FY 2021-22	Supreme Court of India	34.54
Electricity Act, 2003	Demand for Cross Subsidy along with interest	236.40	October 2015 to March 2022	Appellate Tribunal For Electricity at New Delhi	-
Forest Conservation Act. 202/1995	Demand for penalty for using the forest land for non-forest purposes.	156.00	Till Financial Year 2007	Supreme Court of India	-
Chattisgarh Municipal Corporation Act, 1956	Demand for Property Tax	98.22	FY 2007-08 to FY 2010-11 and FY 2016-17	Chhattisgarh High Court	39.29
Electricity Act, 2003	Demand for Electricity Duty along with interest	56.21	FY 1987-88 to FY 2021-22	Chhattisgarh High Court	-
	Demand for Electricity Surcharge	2.00	Till Financial year 2015-16	State Chief Electricity officer	-
Ministry of Environment, Forest and Climate Change Notification	Demand for Penalty for Non- Utilisation of Fly Ash in compliance with notification	32.00	Till FY 2017-18	Supreme Court of India	-
Mines and Minerals (Development & Regulation Act), 1957	Demand for short payment of Royalty on extraction of bauxite mines	8.63	FY 2001-02 to FY 2005-06	Chhattisgarh High Court	4.00
	Penalty on excess extraction from Bauxite Mines	45.00	FY 2007-08 and FY 2008-09	The Collector, Collectorate (Mining Division), Chhattisgarh	-
Chhattishgarh Municipal Limits Rule, 1996	Demand for State Terminal Tax	16.00	Till FY 2009-10	Supreme Court of India	-
Chhattisgarh Entry Tax Act, 1976	Demand against equipment purchased for setting up of the new industrial unit established by the Petitioner.	131.50	FY 2010-11 to FY 2014-15	High Court Chhattisgarh	-
Chhatishgarh Entry Tax Act, 1976	Demand with respect to goods imported from outside the territory of India.	15.20	April 2015 to June 2017	Supreme Court of India	-
Central Excise Act, 1956	Demand for excess CENVAT Credit claimed under Rule 6 of the CENVAT Credit Rules.	40.38	FY 2010-11 to June 2017	Commissioner, CGST and Central Excise, Raipur	-
	Demand on non payment of duty of Aluminium Dross Cleared as per Rule 6 of Cenvat credit rules 2004	1.42	April 2015 to June 2017	Assistant Commissioner, Central Excise	-

Name of the statute	Nature of the dues	Amount (₹ in Crs)	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest (₹ in Crs)
Chhattisgarh VAT Act, 2005	Demand raised for amount disallowed for additional cenvat credit claimed on Capital goods	1.20	FY 2014-15	Appeal before Commissioner of Commercial tax, Raipur	0.39
	Demand for excess grant of VAT ITR on inputs used for sale of power vis-à-vis on goods sent to branches outside	0.24	Till FY 2014-15	Commercial Tax Tribunal,Raipur	-
	Demand for the following: 1.Deny of CST on Quantity Discount, 2. denial of imposition of CST on apparent stock transfer without F form, 3.computation of reversal of ITC.	0.31	FY 2014-15	Commercial Tax Tribunal,Raipur	0.10
	Demand for the following: 1.adjustment of credit from previous year, 2.Deny of CST on Quantity Discount, 3. denyl of imposition of CST on apparent stock transfer without F form, 4.computation of reversal of ITC.	3.88	FY 2011-12	Commercial Tax Tribunal,Raipur	-
Goods and Service Tax, 2017	Demand for difference in GSTR1 and GSTR 3B	0.46	Month September 2018	Commissioner, CGST and Central Excise, Raipur	0.46
	Demand for disallowance of benefit of exemption of integrated Tax & goods & service tax compensation cess.	162.95	Till FY 2019-20	High Court Delhi	29.47
	Demand for difference between ITC as per GSTR 3B and GSTR -2A	115.97	FY 2018-19 and FY 2019-20	Joint Commissioner, CGST and Central Excise, Raipur	9.98
	Demand for disallowance of refund of GST Compensation Cess	2.25	November 2018 to August 2019	Joint Commissioner, CGST and Central Excise, Raipur	1.45
	Demand for availment of Input Tax credit on imported goods	24.74	July 2017 to December 2020	Directorate General of Goods and Services Tax Intelligence, Bilaspur	-

Name of the statute	Nature of the dues	Amount (₹ in Crs)	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest (₹ in Crs)
	Demand of interest against excess availament of ITC	0.04	For the month September 2017	CGST Audit circle, Jaipur	-
	Demand for availament of ITC of goods purchased from vendor not available	0.17	For the month June 2018	Assistant commissioner state tax Korba	-
West Bengal VAT Act, 2005	Demand for incorrect furnishing of stock transfer figure in sales tax return	0.04	FY 2006-07	Commercial tax tribunal, Kolkata	-
The Finance Act, 1994	Demand for Non Payment of Service Tax on right to use natural resources (Water) w.e.f. 01.04.2016 and contravention of provisions of finance act 1994	14.60	FY 2013-14	Additional Directorate General of Goods and Services Tax Intelligence, Bilaspur	-
	Demand for levy of Service Tax on Liquidated Damages collected from transporters	2.06	April 2012 to June 2017	Commissioner CGST and Central Excise, Raipur (Appeals)	-
	Demand for levy of Service Tax on recoveries made from customer on non lifting of electricity	11.54	FY 2013-14 to FY 2014-15	Directorate General of Goods and Services Tax Intelligence, Bhopal	-
	Demand for Non-payment of GST under reverse charge Mechanism(RCM) on account of services of tolerating/permitting the non forest activity/use of forest land permitted by the ministry of Environment,forest and climate change (MoEFCC)-Reg.	1.05	April 2016 to December 2020	Directorate General of Goods and Services Tax Intelligence, Bilaspur	-
Income Tax Act, 1961	Demand for short payment of interest	0.10	FY 2002-03	High Court Chhattisgarh	-
Income Tax Act, 1961	Demand on income tax portal for interest on account of delayed payment of income tax	1.04	FY 2004-05, FY 2007-08 and FY 2009-10	Central Processing Centre (CPC) of the Income Tax Department.	-
Income Tax Act, 1961	Demand for short payment of interest	0.10	FY 2011-12	Jurisdictional Assessing Officer	-

Name of the statute	Nature of the dues	Amount (₹ in Crs)	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest (₹ in Crs)
Income Tax Act, 1961	Demand on account of Non-deduction of Withholding tax on foreign remittances	0.78	FY 2014-15	Commissioner of Income-tax (Appeals)	-
UP VAT Act 2005	Demand for VAT on Depot transfer	0.29	FY 2008-09 and 2009-10	Commercial tax officer, Kanpur	0.29
UP Entry tax Act	Demand for Entry tax on Depot transfer	0.04	FY 2009-10	Commercial tax officer, Kanpur	0.04
Central Sales Tax Act, 1956	Demand for: 1.Non submission of statuatory forms 2. Non consideration of payment challans 3. Disallownces under VAT assessment order	55.99	FY 2016-17	Assistant Commissioner, Commercial Tax Korba	-
Central Sales Tax Act, 1956	Demand raised on stock transferred to Secunderabad depot from BALCO main plant	4.14	FY 2015-16	Assistant Commissioner, Commercial Tax Korba	0.52

Balance Sheet

as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipments	4	9,753.37	10,158.78
(b) Capital work-in-progress	4	283.29	104.83
(c) Intangible assets	5	0.67	0.96
(d) Financial assets			
(i) Trade receivables	6	200.26	212.79
(ii) Loans	7	0.49	0.20
(iii) Others	8	78.56	181.03
(e) Income tax assets (net)	38	13.19	18.20
(f) Other assets	9	642.57	190.99
Total non-current assets		**10,972.40**	**10,867.78**
Current assets			
(a) Inventories	10	1,198.06	917.39
(b) Financial assets			-
(i) Investments	11	305.18	1,024.46
(ii) Trade receivables	12	396.44	467.09
(iii) Cash and cash equivalents	13	436.74	108.97
(iv) Other bank balances	14	0.15	0.21
(v) Loans	15	1.02	1.00
(vi) Derivatives	43	1.52	1.41
(vii) Others	16	232.38	32.03
(c) Other assets	17	518.99	321.57
Total current assets		**3,090.48**	**2,874.13**
TOTAL ASSETS		**14,062.88**	**13,741.91**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	220.62	220.62
Other equity		7,451.26	4,731.55
Total Equity		**7,671.88**	**4,952.17**
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	593.92	2,220.07
(ii) Derivatives	43	-	26.75
(b) Provisions	20	186.17	179.29
(c) Deferred tax liabilities (net)	38	693.62	235.91
(d) Other liabilities	21	686.96	707.52
Total non-current liabilities		**2,160.67**	**3,369.54**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	22	547.61	946.64
(ia) Lease Liabilities		-	0.02
(ii) Operational buyers' credit/suppliers' credit	23	423.79	1,468.65
(iii) Trade payables			
a) Total outstanding dues of micro, small and medium enterprises	24	61.84	73.00
b) Total outstanding dues of creditors other than micro, small and medium enterprises	24	1,252.34	737.21
(iv) Derivatives	43	75.82	86.66
(v) Others	25	319.08	403.21
(b) Provisions	26	171.86	123.00
(c) Income tax liabilities (net)		19.26	2.30
(d) Other liabilities	27	1,358.73	1,579.51
Total current liabilities		**4,230.33**	**5,420.20**
TOTAL EQUITY AND LIABILITIES		**14,062.88**	**13,741.91**

See accompanying notes to the financial statements

As per our report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 55596

Place: Kolkata
Date: April 21, 2022

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302
Place: Gurugram

Abhijit Pati
CEO & Whole-time Director
DIN: 08457230
Place: Korba

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: Korba
Date: April 21, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income:			
Revenue from operations	28	13,607.02	9,687.92
Other operating income	29	109.39	95.51
Other income	30	222.44	79.44
Total income		**13,938.85**	**9,862.87**
Expenses:			
Cost of materials consumed		4,963.90	3,401.36
(Increase)/decrease in inventories of finished goods and work-in-progress	31	(68.25)	210.04
Power and fuel charges		3,036.62	2,347.38
Employee benefits expense	32	335.14	446.11
Finance costs	33	228.57	427.00
Depreciation and amortisation expense	34	569.92	478.36
Other expenses	35	1,102.17	880.46
Total expenses		**10,168.07**	**8,190.71**
Profit before exceptional item and tax		**3,770.78**	**1,672.16**
Exceptional item- (gain)/loss	36	214.60	(94.99)
Profit before tax		**3,556.18**	**1,767.15**
Tax expense/(credit):	38		
On other than exceptional items:			
-Net current tax expense		410.72	-
-Net deferred tax expense		463.28	693.24
On exceptional items:			
-Net current tax credit		(54.01)	-
-Net deferred tax expense		-	23.91
Net tax expense		**819.99**	**717.15**
Net profit after tax		**2,736.19**	**1,050.00**
Net profit after tax before exceptional item (net of tax)		**2,896.78**	**978.92**
Other comprehensive income			
Item that will not be subsequently reclassified to profit or loss			
(a) Re-measurement loss on defined benefit obligations	40	(3.79)	(1.34)
(b) Tax (charge)/credit	38	0.95	(6.63)
Item that will be subsequently reclassified to profit or loss:			
(a) Net loss on cash flow hedges		(18.34)	(54.80)
(b) Tax credit	38	4.62	16.82
Total other comprehensive loss for the year		**(16.56)**	**(45.95)**
Total comprehensive income for the year		**2,719.63**	**1,004.05**
Earnings/(loss) per share (of ₹ 10/- each)	37		
Basic and Diluted (in ₹ per share)		124.02	47.59

See accompanying notes to the financial statements

As per our report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 55596

Place: Kolkata
Date: April 21, 2022

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302
Place: Gurugram

Abhijit Pati
CEO & Whole-time Director
DIN: 08457230
Place: Korba

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: Korba
Date: April 21, 2022

Statement of Cash Flows

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	3,556.18	1,767.15
Adjusted for :		
- Depreciation and amortisation expense	569.92	478.36
- Exceptional items	214.60	(94.99)
- Interest income	(130.58)	(39.63)
- Finance cost	218.22	412.25
- Profit on sale of current investments	(25.56)	(9.87)
- Loss/(gain) on mark to market of investments	3.24	(3.40)
- Loss on sale/discard of property, plant and equipment (net)	10.82	8.09
- Net foreign exchange differences (unrealised)	23.71	51.66
- Unclaimed liabilities written back (net)	(36.37)	(1.65)
- Deferred government grant	(20.57)	(20.57)
	827.43	**780.25**
Operating profit before changes in assets and liabilities	**4,383.61**	**2,547.40**
Adjusted for :		
- Decrease in trade receivables	83.19	157.65
- (Increase)/Decrease in inventories	(280.67)	241.74
- (Increase)/Decrease in financial and other assets	(306.61)	75.02
- Increase/ (Decrease) in trade payables	516.64	(283.39)
- Decrease in other liabilities	(1,412.09)	(125.54)
- Increase/(Decrease) in provisions	55.74	(28.83)
	(1,343.81)	**36.65**
Cash generated from operations	3,039.80	2,584.05
Income taxes paid (net)	(336.87)	9.94
Net cash from operating activities	**2,702.93**	**2,593.99**
B. Cash flow from investing activities		
Purchases of property, plant and equipment (including intangibles)	(953.88)	(308.43)
Proceeds from sale of property, plant and equipment	29.95	0.10
Purchases of short-term investments	(4,308.00)	(4,566.94)
Sale of short-term investments	5,049.60	3,805.79
Interest received	130.58	39.56
Bank deposits made during the year	(801.01)	-
Bank deposits matured during the year	801.07	-
Short term deposits made	(0.43)	(0.52)
Net cash used in investing activities	**(52.12)**	**(1,030.44)**
C. Cash flow from financing activities		
Proceeds/(Repayment) of short-term borrowings (net)	50.00	(255.05)
Proceeds from current borrowings	12.75	133.34
Repayment of current borrowings	(133.34)	(101.42)
Proceeds from long-term borrowings	-	300.00
Repayment of long-term borrowings	(2,028.06)	(1,315.84)
Movement in derivatives for borrowings (net)	(51.12)	27.49
Interest and finance charges paid	(173.06)	(406.31)
Repayment of lease liability	(0.21)	(0.77)
Net cash used in financing activities	**(2,323.04)**	**(1,618.56)**
Net (decrease) / increase in cash and cash equivalents	**327.77**	**(55.01)**
Cash and cash equivalents as at the beginning of the year (refer note 13)	108.97	163.98
Cash and cash equivalents as at the end of the year (refer note 13)	436.74	108.97

See accompanying notes to the financial statements

As per our report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 55596

Place: Kolkata
Date: April 21, 2022

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302
Place: Gurugram

Abhijit Pati
CEO & Whole-time Director
DIN: 08457230
Place: Korba

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: Korba
Date: April 21, 2022

Statement of Changes in Equity

for the year ended March 31, 2022

A Equity share capital

Particulars	Numbers of shares	Amount in ₹ Crore
Equity shares of ₹ 10 each issued, subscribed and fully paid:		
As at March 31, 2022 and March 31, 2021	22,06,24,500	220.62

B Other equity

(All amounts in ₹ Crore, unless otherwise stated)

	Reserve and Surplus					OCI		
Particulars	**Capital reserve[4]**	**Retained earnings[5]**	**Debenture redemption reserve[2]**	**General reserve[1]**	**Total reserves (other than OCI)**	**Effective portion of cash flow hedge[6]**	**Total OCI**	**Total**
Balance as at April 1, 2020	**9.20**	**3,217.99**	**49.90**	**430.31**	**3,707.40**	**20.18**	**20.18**	**3,727.58**
Profit for the year	-	1,050.00	-	-	1,050.00	-	-	1,050.00
Other comprehensive loss for the year[3]	-	(7.98)	-	-	(7.98)	(37.97)	(37.97)	(45.95)
Total comprehensive income/ (loss) for the year	-	1,042.02	-	-	1,042.02	(37.97)	(37.97)	1,004.05
Transferred from Debenture redemption reserve to Retained earnings	-	49.90	(49.90)	-	-	-	-	-
Balance as at April 1, 2021	**9.20**	**4,309.91**	**-**	**430.31**	**4,749.42**	**(17.79)**	**(17.79)**	**4,731.63**
Profit for the year	-	2,736.19	-	-	2,736.19	-	-	2,736.19
Other comprehensive (loss) for the year[3]	-	(2.84)	-	-	(2.84)	(13.72)	(13.72)	(16.56)
Total comprehensive income/ (loss) for the year	-	2,733.35	-	-	2,733.35	(13.72)	(13.72)	2,719.63
Balance as at March 31, 2022	**9.20**	**7,043.26**	**-**	**430.31**	**7,482.77**	**(31.51)**	**(31.51)**	**7,451.26**

1 General reserves

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

2 Debenture redemption reserve

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. Consequent to MCA notification dated August 16, 2019, the company had stopped creating further Debenture Redemption Reserve (DRR) from August 2019 onwards and DRR created in books till July

Statement of Changes in Equity

for the year ended March 31, 2022

31, 2019 continued. During the year ended March 31, 2020, the company had repaid debentures amounting to ₹ 300 Crore and hence proportionate amount of DRR had been transferred from DRR to retained earnings. During the year ended March 31, 2021, the company has repaid the balance debentures amounting to ₹ 200 Crore and hence balance amount of DRR has been transferred from DRR to retained earnings.

3 Amount considered in Retained Earnings represent Re-measurement of defined benefit obligation (net of tax).

4 The balance in capital reserve is on account of capital restructuring done by the Company.

5 Retained earnings represent the cumulative profit / (loss) of the Company and effects of re-measurement of defined benefit obligations and can be utilised in accordance with the provisions of the Companies Act, 2013.

6 Effective portion of cash flow hedge

The Company uses hedging instruments as part of its management of foreign currency risk. For hedging foreign currency risk, the Company uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss.

See accompanying notes to the financial statements

As per our report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 55596

Place: Kolkata
Date: April 21, 2022

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302
Place: Gurugram

Abhijit Pati
CEO & Whole-time Director
DIN: 08457230
Place: Korba

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: Korba
Date: April 21, 2022

Notes to the Financial Statements

as at and for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

1 Company overview

Bharat Aluminium Company Limited (referred to as "BALCO" or "the Company" hereinafter) was incorporated under the laws of the Republic of India with its registered office at Aluminium Sadan, Core-6, Scope Office Complex, 7, Lodhi Road, New Delhi – 110 003 having 5.70 lakhs mtpa aluminium plants comprising 2.45 lakhs mtpa and 3.25 lakhs mtpa plants with 2,010 MW of power plants comprising captive power plant of 270 MW, 540 MW, 900 MW and independent power plant of 300 MW at Korba (Chhattisgarh). BALCO has captive Bauxite mines at Mainpat and Bodai Daldali . Vedanta Limited and the Government of India respectively hold 51% and 49% of the paid up equity share capital of BALCO.

2 Basis of preparation and basis of measurement of financial statements

(A) Basis of preparation

i) These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the "Act") (as amended from time to time).

These financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements are approved for issue by the Board of Directors on April 21, 2022.

All financial information presented in Indian Rupees has been rounded off to the nearest crore with two decimals except when indicated otherwise.

ii) Certain comparative figures appearing in these financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

(B) Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

(C) Reclassifications

On an ongoing basis, the management reviews the changes in the nature of the Company's operations, selection and application of accounting policies and recent accounting pronouncements to assess appropriateness of presentation or classifications of items in the financial statements. For the year ended March 31, 2022, the Company has revised the presentation of:

i) Consequent to amendments to the Schedule III to the Companies Act, 2013, current maturities of long-term borrowings amounting to ₹484.86 crore (31 March 2021: ₹ 813.30 Crore) have been presented as part of the current borrowings and lease liabilities amounting to ₹NIL (31 March 2021: ₹ 0.03 Crore) have been presented on the face of balance sheet, which were previously included under 'other financial liabilities'.

3(a) Significant accounting policies

(A) Revenue recognition

- **Sale of goods/rendering of services (Including Revenue from contracts with customers)**

The Company's revenue from contracts with customers is mainly from the sale of aluminium and power. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer which usually is on delivery of the goods to the shipping agent at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

Certain of the Company's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME), as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control

Notes to the Financial Statements

as at and for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 'Revenue from contracts with customers' and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments i.e. the consideration adjusted post transfer of control are included in total revenue from operations on the face of the statement of profit and loss and disclosed by way of note to the financial statements. Final settlement of the price is based on the applicable price for a specified future period. The Company's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

Revenue from sale of power is recognised based on contracted rates with customers as approved by concerned regulatory authorities and rates arrived at based on principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable. .Revenue from sale of power on account of change in law events is recognised by company based on order or report of regulatory authorities and best management estimates, wherever applicable.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs part of its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received. The advance payments received plus a specified rate of return/ discount, at the prevailing market rates, is settled by supplying respective goods over a period of up to twenty four months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred to customers under the agreements. The fixed rate of return/discount is treated as finance cost. The portion of the advance where either the Company does not have a unilateral right to defer settlement beyond 12 months or expects settlement within 12 months from the balance sheet date is classified as current liability.

Late payment surcharge is recognized based on reasonable certainty of ultimate collection.

- **Interest income**

  Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

- **Dividends**

  Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

- **Export benefits**

  Export benefits are accounted on recognition of export sales.

(B) Property, Plant and Equipment

i) Mining properties

When a decision is taken that a mining property is viable for commercial production (i.e. when the Company determines that the mining property will provide sufficient and sustainable return relative to the risks and the Company decided to proceed with the mine development), all further pre-production primary development expenditure other than that on land, buildings, plant, equipment and capital work in

Notes to the Financial Statements

as at and for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

progress is capitalized as property, plant and equipment under the heading "Mining properties". The costs of mining properties include the costs of acquiring and developing mining properties and mineral rights.

The stripping cost incurred during the production phase of a surface mine is deferred to the extent the current period stripping cost exceeds the average period stripping cost over the life of mine and recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and certain criteria are met. When the benefit from the stripping costs are realised in the current period, the stripping costs are accounted for as the cost of inventory. If the costs of inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. The Company uses the expected volume of waste compared with the actual volume of waste extracted for a given value of ore/ mineral production for the purpose of determining the cost of the stripping activity asset.

Deferred stripping costs are included in mining properties within property, plant and equipment and disclosed as a part of mining properties. After initial recognition, the stripping activity asset is depreciated on a unit of production method over the expected useful life of the identified component of the ore body.

In circumstances where a mining property is abandoned, the cumulative capitalised costs relating to the property are written off in the period in which it occurs i.e. when the Company determines that the mining property will not provide sufficient and sustainable returns relative to the risks and the Company decides not to proceed with the mine development.

Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

ii) Other property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Land acquired free of cost or at below market rate from the government is recognized at fair value with corresponding credit to deferred income.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit and loss when the asset is derecognised. Major inspection and overhaul expenditure is capitalized, if the recognition criteria are met.

iii) Assets under construction

Assets under construction are capitalized in the assets under construction account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

iv) Depreciation, depletion and amortisation expense

Mining properties and other assets in the course of development or construction and freehold land and goodwill are not depreciated or amortised.

- **Mining properties**

The capitalised mining properties are amortised on a unit-of-production basis over the total estimated remaining commercial proved and probable reserves

Notes to the Financial Statements
as at and for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

of each property or Company of properties and are subject to impairment review. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future capital expenditure required to access the commercial reserves. Changes in the estimates of commercial reserves or future capital expenditure are dealt with prospectively.

- **Other assets**

Depreciation on other Property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management) as given below.

Management's assessment takes into account, inter alia, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

Estimated useful life of assets are as follows:

Asset	Useful life (in years)
Buildings (Residential; factory etc.)	3-60
Plant and equipment*	4-40
Railway siding	15
Office equipment	3-6
Furniture and fixture	5-10
Vehicles	8-10

*Useful lives of pot relining included in plant and machinery ranges from 4-5 years

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit to be derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value and useful life of an asset at least at each financial year-end and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

(C) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over their estimated useful life on a straight line basis. Software license is amortised over the estimated useful life ranging from 0-5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

(D) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable Group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or Group of assets.

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. The Company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. Internal and external factors, such as worse economic performance than expected, changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists or in case of goodwill where annual testing of impairment is required, then an impairment review is undertaken and the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the Company and not applicable to entities in general. Fair value for mineral assets is generally

Notes to the Financial Statements

as at and for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

Exploration and evaluation intangible assets:

In assessing whether there is any indication that an exploration and evaluation asset may be impaired, the Company considers, as a minimum, the following indicators:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and
- reserve information prepared annually by external experts.

When a potential impairment is identified, an assessment is performed for each area of interest in conjunction with the Company of operating assets (representing a cash-generating unit) to which the exploration and evaluation assets is attributed. Exploration areas in which reserves have been discovered but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway or planned. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the statement of profit and loss.

(E) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets - recognition & subsequent measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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For purposes of subsequent measurement, financial assets are classified in four categories:

- **Debt instruments at amortised cost**

  A 'debt instrument' is measured at amortised cost if both the following conditions are met:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in statement of profit and loss. The losses arising from impairment are recognised in statement of profit and loss.

- **Debt instruments at fair value through other comprehensive income (FVOCI)**

  A 'debt instrument' is classified as at FVOCI if both of the following criteria are met:

  a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  b) The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognized in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to statement of profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

- **Debt instruments at fair value through profit or loss (FVTPL)**

  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

  Debt instruments included within the FVTPL category are measured at fair value with all changes being recognized in statement of profit and loss.

- **Equity instruments**

  All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the statement of profit and loss.

(ii) Financial Assets - derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

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(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on the following financial assets:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits

b) Financial assets that are debt instruments and are measured as at FVOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, contract assets and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognized as income/ expense in statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

a) Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets. The Company does not reduce impairment allowance from the gross carrying amount.

b) Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

(iv) Financial liabilities – Recognition & Subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

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- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to income statement. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

- **Financial liabilities at amortised cost (Loans and Borrowings and Trade and Other payables)**

  After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(v) Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

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(vii) Equity instruments

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

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(F) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss. Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

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(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(G) Leases

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(b) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities towards future lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at

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the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities have been separately preseneted in the balance sheet.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(H) Inventories

Inventories and work-in-progress are stated at the lower of cost and net realisable value.

Cost is determined on the following basis:

- Raw materials, fuel stock and stores and spares are valued on weighted average basis
- Finished products and work-in-progress are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis and
- By-products are valued at net realisable value.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

(I) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(J) Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax losses.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Further, management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(K) Employee benefit schemes

(i) Short Term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Compensated absences:

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

(ii) Post-employment benefits

- **Defined contribution plan**

Retirement benefits in form of superannuation is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the superannuation fund. The Company recognizes contribution payable to the superannuation scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

- **Defined benefit plans – Gratuity and Provident fund**

Gratuity

The Company has a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. Presently the Company's gratuity plan is unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

The liability recognized in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period.

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The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

Provident Fund

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Balco Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Post-retirement medical benefits (PRMB)

The Company has framed a scheme with a view to provide medical benefits to the regular employees of the Company and their spouses subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis. Based on actuarial valuations conducted as at year end, a provision is recognized in full for the benefit obligation.

(L) Share-based payments

"Vedanta Limited offered certain share based incentives under the Long-Term Incentive Plan ("LTIP") to employees and directors of the Company. It recovers the proportionate cost (calculated based on the grant date fair value of the options granted) from the Company, which is charged to the statement of profit and loss.

(M) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised

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because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the balance sheet.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Company has significant capital commitments in relation to various capital projects which are not recognized in the balance sheet.

(N) Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit and loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in the statement of profit and loss.

Costs for the restoration of subsequent site damage, which is caused on an ongoing basis during production, are provided for at their net present value and charged to the statement of profit and loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

(O) Accounting for foreign currency transactions and translations

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates, for all principal businesses of the Company, the functional currency is Indian rupee and The financial statements are presented in Indian rupee.

In the financial statements of the Company, transactions in currencies other than the respective functional currencies are translated into their functional currencies at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currencies at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except those where the monetary item is designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs in qualifying assets.

"The Company had applied paragraph 46A of AS 11 under Previous GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized upto March 31, 2016 has been deferred/capitalized. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

Notes to the Financial Statements

as at and for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

Exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

(P) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(Q) Buyers' Credit/ Suppliers' Credit and vendor financing

The Company enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months (for raw materials) and up to 36 months (for project and materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Where these arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Company is treated as an operating cash outflow reflecting the substance of the payment.

(R) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current only.

(S) Borrowing costs

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use

Notes to the Financial Statements

as at and for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

i.e. when they are capable of commercial production. Borrowing costs relating to the construction phase of a service concession arrangement is capitalised as part of the cost of the intangible asset. Where funds are borrowed specifically to finance a qualifying capital project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a qualifying capital project, the income generated from such short-term investments is deducted from the total capitalized borrowing cost. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing then becomes part of general borrowing. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year.

All other borrowing costs are recognised in the statement of profit and loss in the year in which they are incurred.

Capitalisation of interest on borrowings related to construction or development projects is ceased when substantially all the activities that are necessary to make the assets ready for their intended use are complete or when delays occur outside of the normal course of business.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

(T) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits which have maturity of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above and additionally includes unpaid dividend account.

(U) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue are accounted for based on the cost price. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

(V) Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

3(b) Application of new and amended standards

(A) The Company has adopted, with effect from April 01, 2021, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendments to Ind AS 103 regarding the definition of identifiable assets acquired and liabilities assumed to qualify for recognition as part of applying the acquisition method;
2. Amendments to Ind AS 107, 109, 104 and 116 regarding Interest Rate Benchmark Reform - Phase 2;
3. Conceptual framework for financial reporting under Ind AS issued by the ICAI;

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as at and for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

4. Amendments to Ind AS 116 regarding COVID-19 related rent concessions;

5. Amendments to Ind AS 105, 16 and 28 regarding definition of recoverable amount.

(B) Standards notified but not yet effective

Amendments to Ind AS that are notified, but not yet effective, up to the date of issuance of the Company's financial statements are not expected to have a significant impact on the Company's financial statements. The Company has not early adopted any amendments that has been notified but is not yet effective.

(3c) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are elaborated in note no. 44.

Notes to the Financial Statements

as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

4 Property, Plant and Equipments[4,5,6]

Particulars	Gross block				Accumulated depreciation				Net Block
	As at April 1, 2021	Additions	Deductions*	As at March 31, 2022	As at April 1, 2021	Charge for the year	Deductions	As at March 31, 2022	As at March 31, 2022
Tangible assets									
Land-freehold[1,2,3,7]	18.35	0.29	-	18.64	-	-	-	-	18.64
(Previous year)	*18.29*	*0.06*	-	*18.35*	-	-	-	-	*18.35*
Buildings[2]	2,086.53	2.46	-	2,088.99	930.66	57.27	-	987.93	1,101.06
(Previous year)	*2,074.63*	*12.58*	*0.68*	*2,086.53*	*876.01*	*54.73*	*0.08*	*930.66*	*1,155.87*
Plant and equipment	14,566.62	200.23	115.77	14,651.08	5,902.81	441.97	75.68	6,269.10	8,381.98
(Previous year)	*14,431.44*	*191.56*	*56.38*	*14,566.62*	*5,549.13*	*401.11*	*47.43*	*5,902.81*	*8,663.81*
Furniture and fixtures	16.23	0.41	0.11	16.53	12.71	0.47	0.05	13.13	3.40
(Previous year)	*24.08*	*0.47*	*8.32*	*16.23*	*19.60*	*0.69*	*7.58*	*12.71*	*3.52*
Vehicles	26.34	0.04	0.99	25.39	16.77	0.57	0.43	16.91	8.48
(Previous year)	*27.48*	-	*1.14*	*26.34*	*17.03*	*0.68*	*0.94*	*16.77*	*9.57*
Office equipment	39.22	1.24	0.06	40.40	28.47	3.66	0.06	32.07	8.33
(Previous year)	*33.87*	*7.24*	*1.89*	*39.22*	*27.90*	*2.37*	*1.80*	*28.47*	*10.75*
Railway Sidings	230.04	-	-	230.04	88.63	11.62	-	100.25	129.79
(Previous year)	*230.04*	-	-	*230.04*	*76.41*	*12.22*	-	*88.63*	*141.41*
Mining properties[5]	142.67	0.34	-	143.01	14.63	50.13	-	64.76	78.25
(Previous year)	*141.98*	*0.69*	-	*142.67*	*12.92*	*1.71*	-	*14.63*	*128.04*
Right of Use assets[6]	36.58	-	1.28	35.30	9.12	3.95	1.21	11.86	23.44
(Previous year)	*36.58*	-	-	*36.58*	*4.56*	*4.56*	-	*9.12*	*27.46*
Total	**17,162.58**	**205.01**	**118.21**	**17,249.38**	**7,003.80**	**569.64**	**77.43**	**7,496.01**	**9,753.37**
Total -Previous Year	***17,018.39***	***212.60***	***68.41***	***17,162.58***	***6,583.56***	***478.07***	***57.83***	***7,003.80***	***10,158.78***
Capital work-in-progress[8,9]	104.83	383.47	205.01	283.29	-	-	-	-	283.29
(Previous year)	*66.91*	*250.52*	*212.60*	*104.83*	-	-	-	-	*104.83*

*For Capital work-in-progress deductions means capitalisation of Capital work-in-progress to respective class of assets.

1. Certain land and quarters of the Company including 40 nos. of Company's quarters at Bidhan Bagh Unit and 300.88 acres of land at Korba and Bidhan Bagh have been unauthorisedly occupied for which the Company is evaluating the options for evacuation.

2. The Division Bench of the Hon'ble High Court of Chhattisgarh has vide its order dated February 25, 2010, upheld that BALCO is in legal possession of 1,804.67 acres of Government land. Subsequent to the said order, the State Government has decided to issue the lease deed in favour of BALCO after the matter of use of forest land is decided by the Hon'ble Supreme Court. In the proceedings before the Hon'ble Supreme Court, pursuant to public interest litigations filed, it has been alleged that land in possession of BALCO is being used in contravention of the Forest Conservation Act, 1980 even though the said land has been in its possession prior to the promulgation of the Forest Conservation Act, 1980 on which its Aluminium complex, allied facilities and township were constructed between 1971-76. The Central Empowered Committee of the Supreme Court has already recommended ex-post facto diversion of the forest land in possession of BALCO. BALCO has also filed two IA before the Supreme Court, 1st challenging the order

Notes to the Financial Statements

as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

4 Property, Plant and Equipments[4,5,6] (Contd..)

of the Tehsildar Korba whereby he rejected BALCO'S applications for eviction of illegal encroachers on BALCO'S land on the ground that land matter is subjudice before the Supreme Court and the other application whereby BALCO has challenged the state government's action for allotment of land to illegal encroachers under the Rajiv Ashray Yojna. No next date is there and the matter is to be listed in due course. The Company is confident that such land parcels will be ultimately made available to the Company.

3. Exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset of ₹ 5.98 Crore (March 31, 2021: ₹ 16.60 Crore) capitalised, are grouped under property, plant and equipments and capital work in progress.

4. For lien/charge against property, plant and equipment refer note no. 19 and 22.

5. Refer note 34 for depreciation and amortisation expenses also.

6. Disclosure of Right of Use (ROU) Assets as per IndAS 116 - "Leases"

Particulars	ROU Land	ROU Building	Total
Depreciation charged during the period	3.95	-	3.95
(Previous year)	3.95	0.61	4.56
Carrying book value as on March 31, 2022	23.45	-	23.45
(Previous year)	27.40	0.06	27.46

7. Title deeds of immovable properties not held in the name of company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director (Y/N)	Property held since which date	Reason for not being held in the name of the company**(also indicate if in dispute)
Property, Plant and Equipment	Freehold Land	3.60	National Thermal Power Corporation Ltd	N	June 20, 2002	The 206.18 acres land transferred to BALCO by NTPC is yet to be registered in favour of BALCO due to non-availability of title deeds from NTPC. 'In the matter, arbitration was held where the Ld. Arbitrator passed the award in favour of BALCO but directed that transfer of title deeds of land will be effected by the Central Government with the assistance of State Government. The matter is sub-judice before the Delhi High Court and is posted for hearing on September 26, 2022.
Property, Plant and Equipment	Freehold Land	0.01	Govt of chattisgarh	N	April 01, 1980	For freehold land of 949 acres acquired by the Government and handed over to the Company, the Company has copies of certificates issued by the Tehsildar for 920 acres only.

8. Please refer note 33 for general borrowing cost eligible for capitalisation.

Notes to the Financial Statements

as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

4 Property, Plant and Equipments[4,5,6] (Contd..)

9. Capital work-in-progress ageing schedule as at March 31, 2022:

CWIP	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	279.06	4.23	-	-	283.29
(Previous year)	*98.96*	*0.59*	*0.39*	*3.48*	*103.42*
Projects temporarily suspended	-	-	-	-	-
(Previous year)	-	-	-	*1.41*	*1.41*
Total	**279.06**	**4.23**	**-**	**-**	**283.29**
Total -Previous Year	***98.96***	***0.59***	***0.39***	***4.89***	***104.83***

5 Intangible Assets

Particulars	Gross block				Accumulated Amortisation				Net Block
	As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at April 1, 2021	Charge for the year	Deductions	As at March 31, 2022	As at March 31, 2022
Software license	9.77	-	-	9.77	8.81	0.29	-	9.09	0.67
Previous year	9.72	0.05	-	9.77	8.52	0.29	-	8.81	0.96

6 Financial assets - Non current : Trade receivables

(at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered good	200.26	212.79
Credit impaired	34.10	34.10
Less: allowance for credit impairment	(34.10)	(34.10)
Total	**200.26**	**212.79**

1. Carrying value of trade receivable may be affected by the changes in the credit risk of counterparties as explained in note no. 43.
2. Maturity profile is as per note no. 43.
3. For lien/charge against trade receivable refer note nos. 19 and 23.
4. No trade receivable is due from directors or other officers of the Company either severally or jointly with any other person (March 31, 2021- ₹ Nil). No trade receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.
5. Trade receivables considered good includes ₹ 135.36 Crore (March 31, 2021: ₹ 135.36 Crore) on account of differential energy charges for supply of power to customers under power supply agreements, pursuant to amendment in escalation rates of domestic coal by Central Electricity Regulatory Commission (CERC) for the period

Notes to the Financial Statements
as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

6 Financial assets - Non current : Trade receivables (Contd..)
(at amortised cost)

October 1, 2012 to September 30, 2014 which is disputed in Honourable Delhi High Court. Supported by legal opinion obtained, management believes that it is probable that the dispute will ultimatly be resolved in favour of the Company. This receivable carries interest as per the power supply agreement.

6. Trade receivables considered good includes ₹ 37.34 Crore (March 31, 2021: ₹ 77.13 Crore) on account of differential duties and taxes recognised by the Company for supply of power to customers under power supply agreements, inline with Central Electricity Regulatory Commission (CERC) order dated April 27, 2018 & Appellate Tribunal For Electricity (APTEL) order dated August 12, 2021 against which petition is filed by customer in Honourable Supremen court, New Delhi. Supported by legal opinion obtained, management believes that it is probable that the dispute will ultimatly be resolved in favour of the Company. This receivable carries interest as per the power supply agreement.

7. Trade receivables considered good includes ₹ 27.24 Crore on account of fixed charge for the units supplied up to the 'normative availability'.For the computation of fixed charge normative availability shall be determined on annual basis as per Power Purchase Agreement (PPA), but customer was considering monthly availability for the computation of fixed charge. The Company had filed the petition in Central Electricity Regulatory Commission (CERC) regarding the fixed charge computation on annual basis. During the year, CERC has passed the order in favour of the company allowing the fixed charge calculation on annualised basis.

8. Ageing has been considered from the date of credit period expired, wherever applicable or from the date of invoice.

Trade receivables ageing schedule as at March 31, 2022:

Particulars	Outstanding from due date of payment as on March 31, 2022						Total
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
– considered good	0.92	1.45	–	–	–	–	2.37
– considered doubtful						34.10	**34.10**
	0.92	1.45	–	–	–	34.10	36.47
Less: Credit impaired						(34.10)	**(34.10)**
	0.92	**1.45**	**-**	**-**	**-**	**-**	**2.37**
Disputed							-
– considered good	–	39.29	–	16.09	6.84	135.66	**197.88**
– which have significant increase in credit risk							-
– considered doubtful	–	–	–	–	–	–	-
	–	39.29	–	16.09	6.84	135.66	197.88
Less: Credit impaired	–	–	–	–	–	–	-
	-	**39.29**	**-**	**16.09**	**6.84**	**135.66**	**197.88**
Total	**0.92**	**40.74**	**-**	**16.09**	**6.84**	**135.66**	**200.25**

Notes to the Financial Statements

as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

6 Financial assets - Non current : Trade receivables (Contd..)

(at amortised cost)

Trade receivables ageing schedule as at March 31, 2021:

Particulars	Outstanding from due date of payment as on March 31, 2021						Total
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
– considered good	–	–	–	–	–	–	–
– considered doubtful						34.10	**34.10**
	–	–	–	–	–	34.10	34.10
Less: Credit impaired						(34.10)	**(34.10)**
	-	**-**	**-**	**-**	**-**	**-**	**-**
Disputed							
– considered good	–	10.45	31.28	22.11	13.29	135.66	212.79
– which have significant increase in credit risk							–
– considered doubtful	–	–	–	–	–	–	–
	-	**10.45**	**31.28**	**22.11**	**13.29**	**135.66**	**212.79**
Less: Credit impaired	–	–	–	–	–	–	–
	-	**10.45**	**31.28**	**22.11**	**13.29**	**135.66**	**212.79**
Total	**-**	**10.45**	**31.28**	**22.11**	**13.29**	**135.66**	**212.79**

7 Financial assets - Non current : Loans

(at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loans to employees	0.49	0.20
Total	**0.49**	**0.20**

1. For details of classification of financial assets and fair value hierarchy refer note no. 43.

8 Financial assets - Non Current : Others

(at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security deposits	39.59	40.45
Site restoration asset[1]	9.62	9.19
Other receivables[3]	29.35	131.39
Total	**78.56**	**181.03**

Notes to the Financial Statements
as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

8 Financial assets - Non Current : Others (Contd..)

(at amortised cost)

1. Represents deposits with Ministry of Coal pertaining to coal block which earns interest at fixed rate based on respective deposit rate.

2. For details of classification of financial assets and fair value hierarchy refer note no. 43.

3. Other receivables represent receivables amounting to ₹ 15.33 Crore (March 31, 2021:₹ 43.04 Crore) on account of differential duties and taxes recognised by the Company for supply of power to customers under power supply agreements, inline with Central Electricity Regulatory Commission (CERC) order dated April 27, 2018 & Appellate Tribunal For Electricity (APTEL) order dated August 12, 2021 for which invoice is yet to be raised by the Company and receivables amounting to ₹ 14.00 Crore (March 31, 2021: ₹ 88.35 crore) on account of incremental revenue recognised by the Company for FY 2020-21 and FY 2021-22 , difference between provisional tariff and recomputed tariff based on tariff pricing mechanism set out in Chhattisgarh State Electricity Regulatory Commission (CSERC) order dated December 20, 2021 (for FY 2018-19 and FY 2019-20) for which invoice is yet to be raised by the Company.

9 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital advances	455.20	14.94
Prepaid expenses[1]	47.07	46.06
Claims and other receivables[2]	140.30	129.91
Security deposits	-	0.08
Total	**642.57**	**190.99**

1. Includes expenditure incurred towards Corporate Social Responsibility in excess of related obligation till year-end, Also refer note 352.

2. Claims and other receivables includes following :

a. Pursuant to the Supreme Court decision dated September 24, 2014, the Company's Taraimar coal block stands deallocated. Prior to deallocation, the Company had incurred an amount of ₹ 84.48 Crore towards land, forest clearance and other directly attributable costs. Based on Coal Mines (Special Provisions) Act, 2015, the Company made an assessment of the expenditure incurred for its recoverability and consequently transferred from Capital work in process to claims receivable ₹ 5.87 Crore. (March 31, 2021: ₹ 5.87 Crore). The said claim is interest-bearing as per the provisions of the abovementioned Act.

b. Receivables pertaining to energy development cess levied by Government of Chhattisgarh ₹ 34.54 Crore (March 31, 2021: ₹ 34.54 Crore) which has been challenged by the Government of Chhattisgarh in the Honourable Supreme Court of India. Supported by a legal opinion obtained, management believes that it is probable that the matter will be decided in favour of the Company.

c. Claims recoverable from Madhya Pradesh Electricity Board (MPEB)/Chhattisgarh State Electricity Board (CSEB) amounting to ₹ 10.08 Crore (March 31, 2021 : ₹ 10.08 Crore), which are disputed by them. The Company is also disputing the claim for Electricity duty/surcharge made by MPEB/CSEB amounting to ₹ 13.23 Crore (March 31, 2021: ₹ 13.23 Crore). The net amount recoverable/payable can be ascertained on settlement of the disputes. Supported by a legal opinion obtained, management believes that it is probable that the matter will be decided in favour of the Company. The said claim is interest-bearing.

d. Claims recoverable in respect of property tax paid under dispute amounting to ₹ 32.22 Crore (March 31, 2021: ₹ 32.22 Crore). Supported by a legal opinion obtained, management believes that it is probable that the matter will be decided in favour of the Company.

Notes to the Financial Statements
as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

10 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Raw materials	378.15	273.41
Goods-in transit	175.84	157.38
	553.99	**430.79**
(b) Fuel stock	110.93	152.80
Goods-in transit	118.79	3.37
	229.72	**156.17**
(c) Work-in-progress	255.58	194.08
Goods-in transit	-	1.14
	255.58	**195.22**
(d) Finished goods[1]	6.07	5.78
(e) By-product[1]	10.04	5.93
(f) Stores and spares[2]	139.65	123.30
Goods-in transit	3.01	0.20
	142.66	**123.50**
Total	**1,198.06**	**917.39**

1. Inventories held at net realizable value amounted to ₹ 13.51 Crore (March 31, 2021: ₹ 27.75 Crore). The write down on inventories amounted to ₹ 6.77 Crore for the year (March 31, 2021: ₹ 13.11 Crore).

2. The provision in respect of slow-moving, damaged, or obsolete inventories of stores and spares lying in books on March 31, 2022 is ₹ 25.59 Crore (March 31, 2021: ₹ 24.26 Crore).

3. Entire inventory has been hypothecated as security against certain bank borrowings of the Company. For more details of lien/charge against inventories refer note no. 19 and 22.

4. For mode of valuation for each class of inventories, refer note no. 3(a).

11 Financial assets - Current : Investments

(at fair value through profit and loss)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in mutual funds - unquoted	305.18	1,024.46
Total	**305.18**	**1,024.46**

1. For determination of fair value refer note no. 43.

12 Financial Assets- Current : Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered good	396.44	467.09
Total	**396.44**	**467.09**

Notes to the Financial Statements
as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

12 Financial Assets- Current : Trade receivables (Contd..)

1. Carrying value of trade receivables may be affected by the changes in the credit risk of counterparties as explained in note no. 43.
2. Maturity profile is as per note no. 43.
3. For lien/charge against trade receivables refer note nos. 19 and 22.
4. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member (March 31, 2021 : Nil). For amount due from related parties, refer note no. 42.
5. Ageing has been considered from the date of credit period expired, wherever applicable or from the date of invoice.

Trade receivables ageing schedule as at March 31, 2022:

Particulars	Outstanding from due date of payment as on March 31, 2022						Total
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
– considered good	36.60	311.36	-	-	-	-	347.96
– considered doubtful							-
	36.60	**311.36**	**-**	**-**	**-**	**-**	**347.96**
Less: Credit impaired	-	-	-	-	-	-	-
	36.60	**311.36**	**-**	**-**	**-**	**-**	**347.96**
Disputed							
– considered good	-	18.72	-	20.88	8.88	-	48.48
– considered doubtful							
	-	**18.72**	**-**	**20.88**	**8.88**	**-**	**48.48**
Less: Credit impaired	-	-	-	-	-	-	-
	-	**18.72**	**-**	**20.88**	**8.88**	**-**	**48.48**
Total	**36.60**	**330.08**	**-**	**20.88**	**8.88**	**-**	**396.44**

Trade receivables ageing schedule as at March 31, 2021:

Particulars	Outstanding from due date of payment as on March 31, 2021						Total
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
– considered good	71.18	212.66	109.07	73.69	0.19	0.30	467.09
– considered doubtful	-	-	-	-	-	-	-
	71.18	**212.66**	**109.07**	**73.69**	**0.19**	**0.30**	**467.09**
Less: Credit impaired	-	-	-	-	-	-	-
	71.18	**212.66**	**109.07**	**73.69**	**0.19**	**0.30**	**467.09**
Disputed							
– considered good	-	-	-	-	-	-	-
– considered doubtful	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Less: Credit impaired	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**
Total	**71.18**	**212.66**	**109.07**	**73.69**	**0.19**	**0.30**	**467.09**

Notes to the Financial Statements

as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

13 Financial Assets- Current : Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks	436.73	108.77
Cash on hand	0.01	0.20
Total	**436.74**	**108.97**

14 Financial Assets- Current : Other Bank Balances

Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposits with original maturity greater than 3 months but less than 12 months[1]	0.15	0.21
Total	**0.15**	**0.21**

1. Fixed deposit with bank as lodged with third parties in the ordinary course of business.

15 Financial Assets - Current : Loans

(at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loans to employees	1.02	1.00
Total	**1.02**	**1.00**

16 Financial Assets- Current : Others

(at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security deposits	12.68	0.05
Advances to related parties (also refer note no. 42)	2.85	3.08
Other receivables[2]	216.85	28.90
Total	**232.38**	**32.03**

1. For details of classification of financial assets and fair value hierarchy refer note no. 43.
2. Represents receivable from marked to market valuation of derivative contract entered into to hedge risk of fluctuation of commodity prices for March 31, 2022 ₹ 213.87 Crore (March 31, 2021 ₹ 262.52 Crore), also refer note 43.

Notes to the Financial Statements
as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

17 Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances to suppliers	325.17	202.19
Prepaid expenses[1]	63.10	26.90
Claims and other receivables	3.49	3.49
Balances with statutory/Government authorities	65.14	49.20
Export incentives receivable	62.09	39.79
Total	**518.99**	**321.57**

1. Includes expenditure incurred towards Corporate Social Responsibility for the obligation till year-end, refer note 35 (2).

18 Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Balance at the end of the year (equity shares of ₹ 10 each)	50,00,00,000	500.00	50,00,00,000	500.00
Issued, subscribed and fully Paid up				
Balance at the end of the year (equity shares of ₹ 10 each)	22,06,24,500	220.62	22,06,24,500	220.62
Total	**22,06,24,500**	**220.62**	**22,06,24,500**	**220.62**

i) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the reporting period :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning and end of the year	22,06,24,500	220.62	22,06,24,500	220.62

ii) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	Amount	No. of Shares held	Amount
a) Vedanta Limited [1] and their nominees	11,25,18,495	51%	11,25,18,495	51%
b) Government of India- - President of India	10,81,06,005	49%	10,81,06,005	49%
Total	**22,06,24,500**	**100%**	**22,06,24,500**	**100%**

1) Vedanta Limited, Holding Company holds 112,518,495 shares in the Company. The subsidiaries and associates of Vedanta limited do not hold any equity shares in the Company. Ultimate holding company Volcan Investments Limited and its subsidiaries and associates do not hold any equity shares in the Company.

Notes to the Financial Statements
as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

18 Share Capital (Contd..)

iii) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, which is paid as and when declared by the Board of Directors. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iv) Shareholding of promoter

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	Number of shares at the end of the year	% of Total Share	% change during the year	Number of shares at the end of the year	% of Total Share	% change during the year
Vedanta Limited	11,25,18,495	51%	-	11,25,18,495	51%	-

19 Financial Liabilities - Non current Borrowings [5,6]

(at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Rupee Term loans from banks[1]	593.92	2,037.95
External commercial borrowings[2,3]	-	109.24
Foreign currency term loan[4]	-	72.88
Total	**593.92**	**2,220.07**

Repayment terms and security details of borrowings	As at March 31, 2022	As at March 31, 2021
1. Rupee term loans from various banks secured by first pari passu charge on moveable property, plant and equipments (excluding coal block) of the Company. Weighted average rate of interest is 6.38% (March 31, 2021: 7.94%) and are repayable in 57 quarterly installments.	889.85	2,499.42
2. External commercial borrowings from Canara Bank London Branch of USD 10 million is repayable in two equal installments in 5th and 6th year from first utilisation dated March 10, 2017. The rate of interest payable on this facility is 3 month LIBOR plus 280 basis points (March 31, 2021-3 month LIBOR plus 280 basis points).The facility is secured by first pari passu charge on all movable property, plant and equipments related to power plants and aluminium smelters located at Korba both present and future ranking pari passu with charges created for other secured lenders.	37.75	72.99

Notes to the Financial Statements

as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

19 Financial Liabilities - Non current Borrowings [5,6] (Contd..)

(at amortised cost)

Repayment terms and security details of borrowings	As at March 31, 2022	As at March 31, 2021
3. External commercial borrowings from ICICI Bank Limited IFSC Banking Unit of USD 4 million, Union Bank of India (UK) Limited USD 6 million and USD 10 million from AFR Asia Mauritius repayable in two equal installments in 5th and 6th year from first utilisation dated November 10, 2016. The rate of interest payable on this facility is 3 month LIBOR plus 280 basis points (March 31, 2021-3 month LIBOR plus 280 basis points).The facility is secured by first pari passu charge on all movable property, plant and equipments related to entire power plants and aluminium smelters located at Korba both present and future ranking pari passu with charges created for other secured lenders.	75.59	314.78
4. Foreign Currency Term Loan from Export Import Bank of India of USD 20 million is repayable in two equal installments in 5th and 6th year from first utilisation dated November 10, 2016. The rate of interest payable on this facility is 3 month LIBOR plus 280 basis points (March 31, 2021-3 month LIBOR plus 280 basis points).The facility is secured by first pari passu charge on all movable property, plant and equipments related to entire power plants and aluminium smelters located at Korba both present and future ranking pari passu with charges created for other secured lenders.	75.59	146.18
Total borrowings	1,078.77	3,033.37
Less: Current borrowing	484.86	813.30
Net Non-Current borrowings	**593.92**	**2,220.07**

5. The amount appearing in the non current portion as on the respective reporting date are exclusive of loan classified under Current maturities of long term borrowing disclosed under note no. 22.
6. The credit facilities are subject to certain financial and non- financial covenants. The primary covenants which must be complied with include debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and net debt to EBITDA*. The Company has complied with the covenants as per the terms of the loan agreement.
   * EBITDA= Profit before exceptional item and tax - Other Income + Finance Cost + Depreciation and amortisation cost

19A Movement in borrowings during the year is provided below:

Particulars	Borrowings due within one year	Borrowings due after one year	Total
Opening Balance as on April 1, 2020	1,327.36	3,071.28	4,398.64
Net cash inflow/(outflow)	(870.00)	(369.00)	(1,239.00)
Other Non cash changes	489.28	(482.21)	7.07
As at April 1, 2021	**946.64**	**2,220.07**	**3,166.71**
Net cash inflow/(outflow)	(883.89)	(1,214.76)	(2,098.65)
Other Non cash changes	484.86	(411.39)	73.47
As at March 31, 2022	**547.61**	**593.92**	**1,141.53**

Other non-cash changes comprises of amortisation of borrowing costs, foreign exchange difference on borrowings and reclassification between borrowings due within one year and borrowings due after one year.

Notes to the Financial Statements

as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

20 Provisions : Non current

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits[1]	123.86	120.57
Provision for site restoration and rehabilitation[2,3]	62.31	58.72
Total	**186.17**	**179.29**

1. Includes Gratuity and Post Retirement Medical Benefits (PRMB). Also refer note no. 39.

2. Provision for site restoration and rehabilitation	As at March 31, 2022	As at March 31, 2021
Opening balance	58.72	55.16
Add: Unwinding of discount	3.59	3.56
Closing balance	**62.31**	**58.72**

3. Also refer note 34 for depreciation and amortisation of site restoration assets.

21 Other Liabilities : Non current

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Government grants[1]	686.96	707.52
Total	**686.96**	**707.52**

1. Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on import of plant and equipments accounted for as government grant and being amortised over the useful life of such assets.

22 Financial Liabilities - Current Borrowings

(at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Loans from banks repayable on demand[1]	-	0.01
Long term borrowings from bank(current maturities)[5]	484.86	813.30
Others[2]	12.75	106.31
	497.61	**919.62**
Unsecured		
Working Capital Loan[3]	50.00	-
Amounts due on factoring[4]	-	27.02
	50.00	**27.02**
Total	**547.61**	**946.64**

Notes to the Financial Statements

as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

22 Financial Liabilities - Current Borrowings (Contd..)

(at amortised cost)

Repayment terms and security details of short-term borrowings	As at March 31, 2022	As at March 31, 2021
1. Loans from banks repayable on demand: Cash Credit secured by way of hypothecation of stock of raw materials, work-in-progress, finished products, consumable stores and spares, bills receivables(excluding bills discounted considered as working capital loan from banks), book debts and all other movable PPE, both present and future. The charges rank pari passu among banks under the multiple banking arrangements, both for fund based and non fund based facilities. Weighted average interest on cash credit utilization is 7.23%. (March 31, 2021 : 7.23%).	-	0.01
2. Secured by way of hypothecation of stock of raw materials, work-in-progress, finished products, consumable stores and spares, bills receivables, book debts and all other movable PPE, both present and future are repayable within 180 days. Weighted average rate of interest for the amount as on March 31, 2022 is 5.50% (March 31, 2021 :5.70%).	12.75	106.31
3. Unsecured working capital loans were for 30 days at an average rate of 6.45% (March 31, 2021: 7.90%).	50.00	-
4. Unsecured amounts due on factoring are for 180 days at an average rate of 4.65%.	-	27.02
Total	**62.75**	**133.34**

5. Current maturities of long term borrowings	As at March 31, 2022	As at March 31, 2021
External commercial borrowings	113.34	278.53
Term loans from banks	295.93	461.47
Foreign currency term loan	75.59	73.30
Total	**484.86**	**813.30**

5.1 Interest, security and payment terms as detailed in note no. 19 and for movement in borrowings during the year refer note 19A.

6. Details of Amount as reported in the quarterly returns and amount as per books of accounts against borrowings outstanding during the period FY 2021-22:

Particulars	Name of the bank	Net current assets as per		
		Books of account	Quarterly return/ statement	Difference*
Q1	SBI/HDFC/ICICI	2,819.52	2,818.89	0.63
Q2	SBI/HDFC/ICICI	3,002.28	3,001.86	0.42
Q3	SBI/HDFC/ICICI	3,016.37	3,017.19	(0.82)
Q4	SBI/HDFC/ICICI	3,434.10	3,435.04	(0.94)

*Difference is on account of submission of information to bank before final closure of quarterly books of accounts.

Notes to the Financial Statements
as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

23 Financial liabilities - Current: Operational buyers' credit/suppliers' credit

(at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Operational buyers' credit/suppliers' credit	423.79	1,468.65
Total	**423.79**	**1,468.65**

Operational buyers' credit/suppliers' credit from ICICI Bank, YES Bank (upto ₹ 258 Crore), HDFC Bank (upto ₹ 200 Crore) and State Bank of India are secured by way of hypothecation of stock of raw materials, work-in-progress, finished products, consumable stores and spares, bills receivables, book debts and all other movable PPE, both present and future. The charges rank pari passu among banks under the multiple banking arrangements, both for fund based and non-fund based facilities. Unsecured buyers' credit/suppliers' credit is from HDFC Bank (beyond ₹ 200 Crore), IndusInd Bank and Federal Bank. Also refer note no. 2(C)(ii).

24 Financial Liabilities - Current : Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro, small and medium enterprises[3]	61.84	73.00
Total (a)	**61.84**	**73.00**
Total outstanding dues of creditors other than micro, small and medium enterprises[1,2]	1,249.48	721.33
Dues to related parties (also refer note no. 42)	2.86	15.88
Total (b)	**1,252.34**	**737.21**
Total (a+b)	**1,314.18**	**810.21**

1. The Company has recognised expense of ₹ 16.45 Crore on account of not meeting certain contracted performance obligation in the year ended March 31, 2022 (March 31, 2021: ₹ 65.62 Crore) under "Power and fuel charges" towards consequential charges.

2. Also refer note 34.

3. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 (to the extent such parties have been identified on the basis of information available with the Company):

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	56.64	68.88
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	5.20	4.12
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Notes to the Financial Statements
as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

24 Financial Liabilities - Current : Trade payables (Contd..)

4. Ageing has been considered from the date of credit period expired, if available or from the date of transaction.

Trade payables ageing schedule as at March 31, 2022

Particulars	Unbilled	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Micro, Small and Medium Enterprise	20.82	-	27.32	7.61	3.38	2.71	61.84
(i) Micro, Small and Medium Enterprise- disputed	-	-	-	-	-	-	-
(i) Others	484.74	143.82	350.15	20.95	7.49	16.75	1,023.90
(ii) Others - disputed	-	-	40.45	34.50	22.33	131.16	228.44
Total	**505.56**	**143.82**	**417.92**	**63.06**	**33.20**	**150.62**	**1,314.18**

Trade payables ageing schedule as at March 31, 2021

Particulars	Unbilled	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Micro, Small and Medium Enterprise	33.23	6.47	28.17	4.05	5.16	-	77.08
(i) Micro, Small and Medium Enterprise- disputed	-	-	-	-	-	-	-
(i) Others	181.97	16.84	288.98	8.09	19.33	-	515.21
(ii) Others - disputed	-	-	61.62	23.26	45.53	87.50	217.91
Total	**215.20**	**23.31**	**378.77**	**35.40**	**70.02**	**87.50**	**810.20**

25 Financial liabilities- Current : Others

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due	3.70	11.46
Capital creditors	132.27	254.31
Dues to related parties (refer note no. 42)	10.49	7.99
Security deposits from vendors and others	17.67	23.42
Employee Liabilities	48.68	83.10
Other liabilities[1]	106.27	22.92
Total	**319.08**	**403.21**

1. Other liabilities represent liability arising from net losses on mark to market valuation of derivatives undertaken to hedge risk of fluctuation in commodity prices.

2. For details of classification of financial liabilities and fair value hierarchy refer note no. 43.

Notes to the Financial Statements
as at March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

26 Provisions : Current

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits[1]	64.31	68.11
Provision for disputed cases and claims[2]	107.55	54.89
Total	**171.86**	**123.00**

1. Includes gratuity, post retirement medical benefits (PRMB) to the extent considered current and leave encashment. Also refer note no. 39.

2. Provision for disputed cases and claims	As at March 31, 2022	As at March 31, 2021
Opening balance	54.89	53.56
Addition made during the year (Includes interest accrued on outstanding amount)	52.66	1.33
Closing balance[1]	**107.55**	**54.89**

1. Represents provision for disputed case with Madhya Pradesh Electricity Board (MPEB)/Chhattisgarh State Electricity Board (CSEB) for electricity duty/surcharge pending in Chhattisgarh High Court and provision for vendor disputed case related to mining and transporatation charges of raw material.

27 Other Liabilities : Current

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Government grants (refer note no. 21(1))	20.57	20.57
Statutory liabilities[1]	1,171.89	1,427.98
Advance from customers[2]	166.27	130.96
Total	**1,358.73**	**1,579.51**

1. (a) During the year ended March 31, 2021 , Central Electricity Regulatory Commission had issued Order dated June 17, 2020 reducing the floor price and forbearance price of Renewable Energy Certificates (REC) for both solar and non- solar REC effective July 1, 2020. Consequently, the Company had recomputed its Renewable Purchase Obligation and the excess provision towards REC Obligation of ₹ 265 Crore till March 31, 2020 had been written back and credited to "Power and fuel charges" for the year ended March 31, 2021. The same had been challenged by Wind Power Association in Appellate Tribunal, New Delhi. The Hon'ble APTEL on November 09, 2021 passed the final judgement in the aforesaid appeal and has set aside the order dated June 17, 2020 of the CERC. During, the year, the company has fulfilled obligation of ₹ 290.86 Crore by purchasing Non-Solar REC certificates. As on March 31, 2022, total outstanding REC obligation is ₹ 58.38 Crore. The same would be complied with RE power purchase (refer to note 42(B)).

(b) Also refer note 36.

2. (a) Advance from customers are contract liabilities and include amounts received under supply agreements. The advance payment plus interest/discount will be settled by supplying respective commodity over a period up to twelve months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are recognised as advance from customers and will be released to the income statement as respective commodity is delivered under the agreements. The portion of the advance that is expected to be settled within the next 12 months has been classified as a current liability.
(b) Also refer note 49.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

28 Revenue from operations

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Sale of products and supply of power	13,607.02	9,687.92
Total	**13,607.02**	**9,687.92**

1. (a) Revenue from sale of products comprises of revenue from contracts with customers of ₹ 14,116.31 Crore (March 31, 2021: ₹ 9540.49 Crore) and net loss on mark-to-market of ₹ 509.29 Crore (Net gain on March 31, 2021: ₹ 147.43 Crore) on account of gains/losses relating to sales that were provisionally priced as at March 31, 2021 with the final price settled in the current year, gains/losses relating to sales fully priced during the year, and marked to market gains/losses relating to sales that were provisionally priced as at March 31, 2022.

   (b) Includes ₹ 127.21 Crore (March 31, 2021: ₹ 78.13 Crore) for which contract liabilities existed at the beginning of the year.

2. The Company has long term agreement with Chhattisgarh State Power Trading Company Limited (CSPTrdCL) to supply power at variable cost. The Company had recognised revenue on the basis of yearly provisional tariff. CSERC vide order dated December 20, 2021 has determined the tarrif price mechanism for FY 2018-19 and FY 2019-20. Based on the aforesaid order issued by CSERC, the Company has reduced revenue to the extent of ₹ 20.51 Crore. Management expects that the tariff pricing mechanism set out in the aforesaid order will be followed for subsequent periods for which the Company's tariff petition is pending before the CSERC. Accordingly, the Company has recognised incremental revenue of ₹ 6.48 Crore and ₹ 7.53 Crore for FY 2020-21 and FY 2021-22 respectively on account of difference between provisional tariff and recomputed tariff based on tariff pricing mechanism set out in above order.

3. Performance obligation pending on the year end in respect of sale of products to customers are immaterial and hence not disclosed separately.

4. For details on disaggregation of revenue, refer note 41E.

29 Other operating income

Particulars	March 31, 2022	March 31, 2021
(i) Export incentives	54.59	42.43
(ii) Scrap sales	28.49	25.26
(iii) Miscellaneous income[1]	26.31	27.82
Total	**109.39**	**95.51**

1. Miscellaneous income majorily includes sale of Frozen Materials.

30 Other income

Particulars	March 31, 2022	March 31, 2021
Net gain on investments measured at fair value through profit or loss	22.32	13.28
Interest Income from financial assets at amortised cost		
(i) Bank deposits	12.89	2.25
(ii) Others[3]	117.69	37.38
Net gain on foreign currency transactions and translation	14.10	-
Miscellaneous income[1]	34.87	5.96
Deferred Government grant income[2]	20.57	20.57
Total	**222.44**	**79.44**

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

30 Other income (Contd)..

1. Miscellaneuous income mainly includes liability no longer required written back amounting ₹ 15.50 Crore (March 31, 2021: 17.08 Crore).
2. Income from deferred government grants is amortised over the useful life of related assets. For nature of Government grant refer note no 21(1).
3. Include ₹ 84.30 Crore on account of late payment surcharge on delayed payments. As per the terms of power sales agreement, the Company is entitled to receive late payment surcharge on delayed payment at SBI PLR rate.

31 Changes in inventories of finished goods and work-in-progress

Particulars	March 31, 2022	March 31, 2021
Opening inventories		
Finished goods	5.77	162.16
Work in progress	195.22	252.77
By products	5.93	2.03
	206.92	**416.96**
Closing inventories		
Finished goods	6.07	5.77
Work in progress	255.58	195.22
By products	10.04	5.93
	271.69	**206.92**
Capitalised during the year	3.48	-
Total	**(68.25)**	**210.04**

32 Employee benefits expense

Particulars	March 31, 2022	March 31, 2021
(a) Salaries and wages (refer note no. 42)[1]	275.72	387.82
(b) Contributions to provident and other funds (refer note no. 39)	19.59	20.28
(c) Gratuity expense	4.42	4.56
(d) Staff welfare expenses	31.84	26.78
(e) Long term incentive plan (LTIP)[2]	3.57	6.67
Total	**335.14**	**446.11**

1. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2. Long term incentive plan (LTIP)

The Company offers equity-based incentives to its employees, officers and directors as part of similar incentive plan of its parent, Vedanta Resources Limited (earlier known as Vedanta Resources Plc), [The Vedanta Resources Long-Term Incentive Plan ("LTIP"), Employee Stock Ownership Plan ("ESOP") and Performance Share Plan ("PSP")] and Vedanta Limited [Vedanta Limited - Employee Stock Option Scheme ("Vedanta Limited- ESOS")].

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

32 Employee benefits expense (Contd..)

Vedanta Limited- Employee Stock Option Scheme 2016 ("ESOS"), was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based, sustained individual performance based and market performance based stock options. The maximum value of options that can be awarded to members of the wider management group is calculated by reference to the grade average cost-to-company ("CTC") and individual grade of the employee. The performance conditions attached to the option is measured by comparing Company's performance in terms of Total Shareholder Return ("TSR") over the performance period with the performance of two group of comparator companies (i.e. Indian and global comparator companies) defined in the scheme. The extent to which an option vests will depend on the Company's TSR rank against a group or groups of peer companies at the end of the performance period and as moderated by the Remuneration Committee. In respect of options granted during the year ended March 31, 2022 & March 31, 2021, business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, ECG & Carbon footprint or a combination of these for the respective business/ SBU entities. Further, vesting of some of the options will be based on sustained individual performance. The exercise price of the options is ₹ 1 per share and the performance period is three years, with no re-testing being allowed.

The fair value of all options has been determined at the date of grant of the option allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Group's estimate of the number of options that will eventually vest as a result of non-market conditions, is expensed over the vesting period.

The fair values were calculated using the Black-Scholes Model for tenure based and EBIDTA based options and Monte Carlo simulation model for TSR based options.

Further, in accordance with the terms of the agreement between the Parent and the Company, the fair value of the awards as on the grant date is recovered by the Parent from its subsidiaries.

Amount recovered by Vedanta Limited and recognized by the Company in the Statement of Profit and Loss for the year ended March 31, 2022 is ₹ 3.57 Crore (March 31, 2021 : ₹ 6.67 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

33 Finance cost

Particulars	March 31, 2022	March 31, 2021
Interest expense[1]	208.32	386.19
Other finance cost	14.93	15.01
Net interest on defined benefit obligation	9.49	11.05
Net loss on foreign currency transactions and translation (considered as finance cost)	6.75	14.75
Less: Capitalisation of Finance cost[2]	(10.92)	-
Total	**228.57**	**427.00**

1. Interest expense on lease liabilities amounts to ₹ 0.18 Crore (March 31, 2021: ₹ 0.05 Crore).
2. Interest rate of 6.58%was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended 31 March 2022.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

34 Depreciation and amortisation expense

Particulars	March 31, 2022	March 31, 2021
Tangible assets[1,2] (Refer note no. 4)	569.64	478.07
Intangible assets (Refer note no. 5)	0.28	0.29
Total	**569.92**	**478.36**

1. During the year, the company has re-assesed the remaining useful life of certain assets and based on which depreciation is increased by ₹ 51.67 Crore.

2. The company had exercised its right to surrender its coal block mining lease to the government through an application dated June 30, 2021 citing various grounds including non-extension of force majeure, low grades of coal, availability of coal at lower costs from alternative sources. Company has reassessed its unamortised site restoration asset and other assets aggregating ₹ 48.17 Crore and based on such assessment, the amount of ₹ 48.17 Crore has been charged off. However, pending determination of the Company's ultimate site restoration obligation on acceptance of surrender of mining rights by the Ministry of mines, Government of India, management has considered it prudent to carry forward the site restoration liability of Rs. 62.31 Crore. Any subsequent adjustment to such liability will be recognised on determination of the Company's ultimate obligation in this regard. The management expects to recover the entire amount capitalised amounting to ₹ 99 Crore from the future successful bidders as and when these mines are subsequently re-auctioned. Pending completion of all formalities for surrender of coal mines related assets to the extent considered recoverable continue to be classified under property, plant and equipment.

35 Other expenses

Particulars	March 31, 2022	March 31, 2021
Consumption of stores and spare parts	180.06	147.83
Repairs and maintainance		
Plant and machinery	325.73	222.04
Buildings	24.81	18.87
Others	95.44	58.30
Other manufacturing and operating expenses	40.55	47.74
Rent	1.34	1.06
Rates and taxes	15.00	17.75
Insurance	35.13	26.90
Loss on sale/discard of property, plant and equipments	10.82	8.09
Commission/sitting fees to directors	0.99	0.54
Payments to auditors[1]	1.30	1.59
Net loss on foreign currency transactions and translation (other than considered as finance cost	-	41.71
Consultants and professional fees	29.09	31.21
Corporate Social Responsibility Expenses[2]	12.52	1.57
Carriage outwards	211.17	102.91
Other selling expenses	33.16	60.85
Donation	-	5.04
Miscellaneous expenses	85.06	86.46
Total	**1,102.17**	**880.46**

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

35 Other expenses

1. Payments to auditors

Particulars	March 31, 2022	March 31, 2021
For statutory audit	0.47	0.63
For parent company reporting	0.74	0.89
For other services	0.07	0.03
Reimbursement of expenses	0.02	0.04
Total	**1.30**	**1.59**

2. Corporate Social Responsibility Expenses

Particulars	March 31, 2022	March 31, 2021
Gross amount required to be spent by the Company during the year	12.52	1.57
Amount approved by the Board to be spent during the year	44.22	79.79
Amount spent in cash on :		
Construction/acquisition of assets	-	-
On purposes other than above*	39.40	47.63
Amount yet to be paid in cash	-	-
Total amount spent	**39.40**	**47.63**

*Includes ₹ 27.53 Crore (March 31, 2021: 44.05 Crore) paid to a related party.

Details of CSR activities

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
A) Donation to related party(VMRF)		
i) Health care	27.53	44.05
B) Other than related party		
i) Gender equality and women empowerment	1.00	0.55
ii) Health care	0.95	0.70
iii) Promotion of education	1.14	0.70
iv) Livelihood enhancement projects	0.84	0.60
v) Rural development projects	0.86	0.50
vi) Sanitation works	0.03	0.04
vii) Safe drinking water	-	0.06
viii)Disaster management	7.05	0.43
Total	**39.40**	**47.63**

The Company has an excess CSR spent of ₹ 72.94 Crore for it proposes to offset against future obligations and has recognised the same as an asset in the balance sheet:

Opening Balance	Required to be spent	Actual Spent	Closing balance
46.06	12.52	39.40	72.94

Notes to the Financial Statements
for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

36 Exceptional items

(i) During the year ended March 31, 2022, MoEF&CC has notified guidelines for thermal power plants for disposal of fly ash and bottom ash produced during power generation process. Effective 01 April 2022, the notification has introduced a three-year cycle to achieve average ash utilisation of 100 per cent. The first three-year cycle is extendable by another one year or two years where ash utilisation percentage is in the range of 60-80 per cent or less than 60 per cent, respectively. Further, unutilised accumulated ash, i.e., legacy fly ash stored with such power plants prior to the date of this notification is required to be utilized fully over a ten year period with minimum twenty percent, thirty percent and fifty percent utilisation in year 1, year 2 and years 3-10 respectively. Such provisions are not applicable where ash pond or dyke has stabilised and the reclamation has taken place with greenbelt or plantation. The Company has performed detailed evaluations for its obligations under this notification and has recorded ₹ 214.60 crore as an exceptional item for the year ended 31 March 2022, towards estimated costs of legacy fly ash utilization including reclamation costs.

(ii) During the year ended March 31, 2021, the Company had recomputed its Renewable Power Obligation (RPO) pursuant to Chhattisgarh State Electricity Regulatory Commission (CSERC) notification dated July 13, 2020 (published on July 22, 2020) which clarified that for Captive Power Plants commissioned before April 1, 2016, RPO should be pegged at the RPO obligation percentage rates (both for solar and non-solar) applicable for FY 2015-16. Consequent to the aforesaid notification, the Company's obligation towards RPO relating to the period upto March 31, 2020 had been reversed to the extent of ₹ 94.99 Crore during the year ended March 31, 2021. The resultant gain on account of such reversal had been reported under "exceptional items".

37 Earnings per share (EPS)

Particulars	March 31, 2022	March 31, 2021
Net profit/(loss) after tax for the year	2,736.19	1,050.00
Weighted number of ordinary shares for basic EPS	22,06,24,500	22,06,24,500
Nominal value of ordinary share (in ₹ per share)	10.00	10.00
Basic and Diluted earnings/(loss) for ordinary shares (in ₹ per share)	**124.02**	**47.59**

38 Tax expense

(a) Tax charge/(credit) recognised in profit or loss

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Current Tax:		
Current tax on profit for the year	410.71	-
Credit in respect of exceptional items	(54.01)	
Total Current Tax (a)	**356.70**	**-**
Deferred tax:		
Origination and reversal of temporary differences- other than exceptional items	463.28	693.24
Charge in respect of exceptional items	-	23.91
Total deferred tax (b)	**463.28**	**717.15**
Total tax charge/(credit):	**819.98**	**717.15**
Accounting profit/(loss) before tax	3,556.17	1,767.15
Effective income tax rate	**23.06%**	**40.58%**

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

38 Tax expense

(b) A reconciliation of income tax expense/ (credit) applicable to accounting profits before tax/ (loss) at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Accounting profit / (loss) before tax for the year ended	3,556.17	1,767.15
Indian statutory income tax rate (%)	25.17%	25.17%
Tax at Indian statutory income tax rate	895.02	444.76
Disallowable expenses	3.56	2.70
One time tax charge/(credit)[2,3]	(78.60)	269.69
Tax charge/(credit) for the year	**819.98**	**717.15**

1. There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters.

2. As per the amendments to the tax laws in September, 2019, a new tax provision has been introduced whereby a company can claim the benefits of reduced tax rates, provided it forgoes certain incentives/exemptions under Income Tax Act, 1961. The Company has opted for the same leading to a deferred tax charge of ₹ 269.69 Crore (including ₹ 131.78 Crore on timing difference as at March 31, 2020) during the year ended March 31, 2021.

3. Also refer note 40 (iii)

(c) Deferred tax assets/liabilities (net)

The Company has recognised deferred tax assets on unabsorbed depreciation and carry forward business losses based on reasonable evidence of future taxable profits based on the Company's present estimates and business plans.

Significant components of deferred tax (assets) & liabilities recognized in the financial statements

Particulars	April 1, 2021	Charged / (credited) to statement of profit and loss	Charged / (credited) to other comprehensive income	Reclassed to income tax assets	March 31, 2022
Property, Plant and Equipment	896.61	75.61	-	-	972.22
Voluntary retirement scheme	(9.54)	2.57	-	-	(6.97)
Employee benefits	(38.47)	7.08	(0.95)	-	(32.34)
Fair valuation of derivative asset/ liability	(6.24)	(4.46)	(4.62)	-	(15.32)
Fair valuation of other asset/liability	(3.84)	-	-	-	(3.84)
Unabsorbed depreciation/business losses	(373.05)	373.05	-	-	-
Others temporary differences	(229.56)	9.43	-	-	(220.13)
Total	**235.91**	**463.28**	**(5.57)**	**-**	**693.62**

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

38 Tax expense

Particulars	April 1, 2020	Charged / (credited) to statement of profit and loss	Charged / (credited) to other comprehensive income	Reclassed to income tax assets	March 31, 2021
Property, Plant and Equipment	1,027.64	(131.03)	-	-	896.61
Voluntary retirement scheme	(1.57)	(7.97)	-	-	(9.54)
Employee benefits	(65.73)	20.63	6.63	-	(38.47)
Fair valuation of derivative asset/ liability	11.31	(0.73)	(16.82)	-	(6.24)
Fair valuation of other asset/liability	(11.93)	8.09	-	-	(3.84)
Unabsorbed depreciation/ business losses	(1,179.32)	806.27	-	-	(373.05)
Others temporary differences	(251.45)	21.89	-	-	(229.56)
Total	**(471.05)**	**717.15**	**(10.19)**	**-**	**235.91**

(d) Non-current tax assets

Non-current tax assets represent income tax receivable from Indian tax authorities by the Company.

39 Employee benefit plans

A Defined contribution plans

Family pension scheme

The Company offers its employees benefits under defined contribution plan in the form of family pension scheme. Family pension scheme covers all employees on the roll. Contributions are paid during the year into the fund under statutory arrangements. The contribution to family pension fund is made only by the Company based on prescribed rules of family pension scheme. The contributions are based on a fixed percentage of the employee's salary, subject to a ceiling, as prescribed in the respective scheme.

A sum of ₹ 2.60 Crore (March 31, 2021: ₹ 2.92 Crore) towards family pension scheme has been charged to the statement of profit and loss during the year under the head employee benefit expense.

Superannuation

The Company offers benefits under defined contribution plan in the form of Superannuation fund for certain specified employees. Contributions are paid during the year into the fund.

A sum of ₹ 1.84 Crore (March 31, 2021: ₹ 1.99 Crore) towards superannuation fund premium has been charged to the Statement of Profit and Loss during the year under the head employee benefit expense.

B Defined benefit plans

(I) Provident fund

Bharat Aluminium Company Limited Employee's Contributory Provident Fund' ('Trust') is exempted under section 17 of Employees Provident Fund Act, 1952. The conditions for grant of exemption stipulate that the employer shall make good the deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

39 Employee benefit plans (Contd..)

actuarial valuation in accordance with Ind AS 19 and Guidance note issued by the Institute of Actuaries of India for interest rate guarantee of exempted provident fund liability of employees, there is no interest shortfall in the funds managed by the Trust that is required to be met by the Company as of March 31, 2022 and March 31, 2021. Having regard to the assets of the Trust and the return in the investments, the Company also does not expect any deficiency in the foreseeable future. A sum of ₹ 14.67 Crore (March 31, 2021: ₹ 14.93 Crore) has been charged to the statement of profit and loss in this respect during the year under the head employee benefit expense. The discount rate used for calculating the present value of the obligation is 7.14% (March 31, 2021: 6.9%). Expected rate of return on plan assets is 8.1% (March 31, 2021: 8.50%).

The present value of obligation and fair value of plan assets of the trust are summarised below:

Particulars	March 31, 2022	March 31, 2021
Fair value of plan assets	634.67	588.56
Present value of defined benefit obligations	602.23	548.92
Net liability arising from defined benefit obligation of the trust	**Nil**	**Nil**

Percentage allocation of plan assets of trust are as below:

Assets by category	March 31, 2022	March 31, 2021
Government securities	46.50%	55.05%
Debentures/bonds	36.51%	36.23%
Equity	16.99%	8.72%

(II) Defined benefit plans- Unfunded

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation as at and for the year ended are as follows:

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.14%	6.90%
Expected rate of increase in compensation level of covered employees	5% to 7%	5% to 7%
Medical inflation	5% to 7%	5% to 7%

Assumptions regarding mortality rates are based on mortality tables of 'Indian Assured Lives Mortality (2012-2014)' published by the Institute of Actuaries of India. Assumptions regarding post retirement mortality are based on LIC a (96-98) ultimate.

(1) Gratuity - long term defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company (also refer note no. 32).

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

39 Employee benefit plans (Contd..)

(2) Post Retirement Medical Benefits (PRMB)

The scheme is framed with a view to provide medical benefits to the regular employees of the Company and their spouses subsequent to their retirement on completion of tenure, retirement on medical grounds and voluntary retirement on contributory basis subject to provisions as detailed hereunder:

Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation.

Details of Actuarial Valuation carried out on balance sheet date are as under:

Amount recognised in the balance sheet consists of:

Particulars	March 31, 2022		March 31, 2021	
	Gratuity	PRMB	Gratuity	PRMB
Present value of defined benefit obligations	85.01	59.68	85.54	52.04
Net liability arising from defined benefit obligations	**85.01**	**59.68**	**85.54**	**52.04**

Amounts recognised in the statement of profit and loss are as follows:

Particulars	March 31, 2022		March 31, 2021	
	Gratuity	PRMB	Gratuity	PRMB
Current service cost	4.42	0.48	4.56	0.42
Net Interest cost	5.90	3.59	7.73	3.32
Total charge to the statement of profit and loss	**10.32**	**4.07**	**12.29**	**3.74**

Amounts recognised in other comprehensive income are as follows:

Particulars	March 31, 2022		March 31, 2021	
	Gratuity	PRMB	Gratuity	PRMB
Re-measurement losses/(gains) arising from changes in demographic assumptions	-	-	-	-
Re-measurement losses/(gains) arising from changes in financial assumptions	(2.30)	(1.36)	(0.97)	(0.48)
Re-measurement losses/(gains) arising from experience adjustments	0.04	7.41	0.54	2.25
Re measurement losses/(gains) of the net defined benefit liability	**(2.26)**	**6.05**	**(0.43)**	**1.77**

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

39 Employee benefit plans (Contd..)

The movement during the year of the present value of the defined benefit obligation was as follows:

Particulars	March 31, 2022		March 31, 2021	
	Gratuity	PRMB	Gratuity	PRMB
Opening balance	85.54	52.04	113.65	48.82
Current service cost	4.42	0.48	4.56	0.42
Benefits (paid)	(8.59)	(2.48)	(39.97)	(2.29)
Interest cost of scheme liabilities	5.90	3.59	7.73	3.32
Re-measurement losses/(gains) arising from changes in demographic assumptions	-	-	-	-
Re-measurement losses/(gains) arising from changes in financial assumptions	(2.30)	(1.36)	(0.97)	(0.48)
Re-measurement losses /(gains) arising from experience adjustments	0.04	7.41	0.54	2.25
Closing balance	**85.01**	**59.68**	**85.54**	**52.04**
Current liability	10.10	10.73	7.24	9.77
Non Current liability	74.91	48.95	78.30	42.27

The weighted average duration of the defined benefit obligation is 16.85 years for the year ended March 31, 2022 and 17.44 years for year ended March 31, 2021.

The gratuity scheme of the Company is unfunded, hence there was no plan asset as at March 31, 2022 and March 31, 2021.

C Sensitivity analysis

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the balance sheet.

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Increase / (decrease) in defined benefit obligation	March 31, 2022		March 31, 2021	
	Gratuity	PRMB	Gratuity	PRMB
Discount rate				
Increase by 0.50%	(4.50)	(2.73)	(4.59)	(2.38)
Decrease by 0.50%	4.92	3.00	5.03	2.61
Expected rate of change in compensation level of covered employees				
Increase by 0.50%	2.15	2.77	2.76	2.41
Decrease by 0.50%	(2.56)	(3.06)	(3.13)	(2.66)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

39 Employee benefit plans (Contd..)

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

D Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

(1) Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. Salary increase considered @ 7%/5% (executive and workman) (March 31, 2021 7% for executives and 5% for workmen). As such, an increase in the salary of the plan participants will increase the plan's liability. Effect of salary revisions through Long Term Settlements for workmen have also been considered.

(2) Life expectancy / Longevity risks

The present value of the defined benefit plan liability is calculated by reference to the best estimates of the mortality of plan participants both during and after their employment. Mortality tables as per Indian Assured Lives Mortality (2012-14) modified Ult. and LIC a(96-98) ultimate is used for during the employment and post retirement period respectively. An increase in the life expectancy of the plan participants will increase the plan's liability.

(3) Interest rate risks

A decrease in the bond interest rate will increase the plan liability.

(4) Inflation risks

The present value of the defined benefit plan liability is calculated using 7.14% inflation rate (March 31, 2021: 6.9%). As such, a decrease in the inflation rate will increase the plan's liability.

E Compensated Absences

The Company has provided for the liability on the basis of actuarial valuation using the projected unit credit method.

Entire provision of ₹ 43.49 Crore as on March 31, 2022 and ₹ 51.10 Crore as on March 31, 2021 has been presented as current, since the Company does not have an unconditional right to defer the settlement of these obligations.

40 Commitments, Contingencies and Guarantees

(to the extent not provided for)

(i) Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for.	5,235.12	305.53
Total	**5,235.12**	**305.53**

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for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

40 Commitments, Contingencies and Guarantees (Contd..)

(ii) Contingencies*

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Claims against the Company not acknowledged as debts are as follows :		
i. Energy Development Cess claimed by the Government of Chhattisgarh - matter pending final hearing by the Supreme Court on Special Leave Petition filed by the Government of Chhattisgarh.	1,051.76	964.95
ii. Relating to Suppliers and Contractors - Matter pending in Court / arbitration.	17.15	23.96
iii. Electricity surcharge - Matter pending with Chhattisgarh State Electricity Board	733.11	2.00
iv. Relating to application filed alleging the use of forest land for non-forest purposes (Refer note 4)	156.00	156.00
v. Relating to coal block matters	147.76	166.00
vi. Regulatory and other matters	119.82	107.57
(b) Indirect tax matters - Various matters decided in favour of the Company against which the department has preferred appeal or the Company is in appeal against notices received from department (Mainly on account of show cause notices received from Commissioner of Central Excise for availment of Cenvat credit on inputs/capital goods used for production of finished goods and entry tax demand for raw materials procured, disallowance of refund of GST Compensation Cess on account of power supply.)	36.57	38.84
Total	**2,262.17**	**1,459.32**

* Future cash outflows in respect of the above matters will be determined only on receipt of judgments / decisions pending at various forums / authorities. Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has good chance of success in above mentioned matters and hence no provision against them is considered necessary.

(iii) Other matters

i) During the financial year 2009-10, the Company had received a demand from the Chief Electrical Inspector, Government of Chhattisgarh to pay ₹ 240.43 Crore on account of electricity duty on generation of power from its 540 MW power plant due to non submission of Eligibility certificate. During the year company has received ED exemption letter and the demand is quashed.

ii) The Ministry of Environment, Forest and Climate Change (MOEF&CC) had amended Environment (Protection) Amendment Rules 2015 with the primary aim of minimizing pollution in Thermal Power plants. Accordingly, the Company was required to install Flue Gas Desulphurization (FGD) units by June 30, 2020 for CPP Units and by September 30, 2021 for IPP Unit as per deadline stated by Central Pollution Control Board (CPCB). During the year ended March 31, 2021, the Company had entered into a letter of Intent with vendor to complete the FGD installation. Timeline has been further extended to December 31, 2023 as per the notification released by MoEF&CC on March 31, 2021.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

40 Commitments, Contingencies and Guarantees (Contd..)

iii) Income tax demands have been raised mainly on account of depreciation allowance, tax holiday benefits and interest thereon which are pending at various levels of appeals. Management considers these disallowances as not tenable against the Company, and hence considered as remot

iv) During the year, the Company has re-evaluated its position in respect of additional depreciation of ₹ 311.90 crore, which was not carried forward on adoption of new income tax regime in financial year 2020-21. Based on such re-evaluation and supported by a tax opinion obtained in this regard, the Company has now taken the position that aforesaid additional depreciation had already been utilised against taxable profits in the Assessment Years prior to adoption of aforesaid new tax regime and all remaining unabsorbed depreciation are normal depreciation. Accordingly, the Company has now utilised the aforesaid unabsorbed depreciation of ₹ 311.90 crore as normal depreciation against its current year's taxable profit, which resulted in reduction of current tax liability by ₹ 78.50 crore.

(iv) Guarantees

i) Corporate guarantee given to Vedanta Medical Research Foundation (VMRF) in respect of certain long-term borrowings amounts to ₹ 0.39 Crore (March 31, 2021: ₹ 4.73 Crore).

ii) Bank guarantees given to various agencies, suppliers and government authorities for various purposes amount to ₹ 272.24 Crore (March 31, 2021: ₹ 147.48 Crore).

41 Segment information

A Basis of segmentation

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015, as amended). For management purposes and based on information provided to the Company's Chief Operating Decision Maker, the Company is organized into business units based on its products and services and has two reportable segments as follows:

(a) Aluminium ; (b) Power.

Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. Segment profit (Earnings before interest, depreciation and amortization, and tax) amounts are evaluated regularly by the Board that has been identified as its chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments. Transfer prices between operating segments are on cost basis.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

41 Segment information (Contd..)

B Information about reportable segments

Particulars	March 31, 2022				March 31, 2021			
	Aluminium	Power	Eliminations	Total	Aluminium	Power	Eliminations	Total
Revenue								
External revenue	13,182.10	424.92	-	13,607.02	8,991.55	696.37	-	9,687.92
Inter segment revenue		107.27	(107.27)	-				
Segment revenue	**13,182.10**	**532.19**	**(107.27)**	**13,607.02**	**8,991.55**	**696.37**	**-**	**9,687.92**
Results								
Profit before other income, depreciation, finance costs, unallocated income/ expense and tax	4,336.04	81.30	-	4,417.34	2,287.77	253.19	-	2,540.96
Depreciation and amortisation expense	537.45	32.47	-	569.92	443.00	35.36	-	478.36
Other income (a)	17.72	2.85	-	20.57	14.87	5.70	-	20.57
Segment results	**3,816.31**	**51.68**	**-**	**3,867.99**	**1,859.64**	**223.53**	**-**	**2,083.17**
Less : Finance costs	-	-	-	(228.57)	-	-	-	(427.00)
Less : Unallocated income/expenses	-	-	-	131.35	-	-	-	15.99
Add/(less) : Exceptional items	(177.60)	(37.00)	-	(214.60)	-	94.99	-	94.99
Net profit / (loss) before tax	**3,638.71**	**14.68**	**-**	**3,556.17**	**1,859.64**	**318.52**	**-**	**1,767.15**
Segment assets	11,815.26	1,479.88	-	13,295.14	11,058.06	1,519.75	-	12,577.81
Investments	-	-	-	305.18	-	-	-	1,024.50
Income tax/deferred tax assets	-	-	-	13.19	-	-	-	18.20
Cash & Cash Equivalents (including other bank balances & bank deposits)	-	-	-	446.51	-	-	-	118.37
Others	-	-	-	2.86	-	-	-	3.03
Total assets	**11,815.26**	**1,479.88**	**-**	**14,062.88**	**11,058.06**	**1,519.75**	**-**	**13,741.91**
Segment liabilities	4,260.28	229.63	-	4,489.91	5,048.26	233.48	-	5,281.74
Borrowings	-	-	-	1,144.90	-	-	-	3,166.71
Others	-	-	-	756.18	-	-	-	341.28
Total liabilities	**4,260.28**	**229.63**	**-**	**6,390.99**	**5,048.26**	**233.48**	**-**	**8,789.73**

a) Amortisation of duty benefits relating to assets recognised as government grant.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

41 Segment information (Contd..)

C Geographical segment analysis

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

Particulars	March 31, 2022	March 31, 2021
Revenue based on geographical information for the year ended		
India	7,348.58	6,579.48
Outside India	6,258.44	3,108.44
Total	**13,607.02**	**9,687.92**
Carrying amount of non current assets[1] based on location of assets as at		
India	10,679.89	10,455.55
Outside India	-	-
Total	**10,679.89**	**10,455.55**

1. Excluding financial assets and tax assets.

D Information about major customers

Revenue from one customer amounted to ₹ 2246.42 Crore (March 31, 2021: ₹ 627.81 Crore) and from another customer ₹ 871.69 Crore (March 31, 2021: ₹ 1010.01 Crore) arising from sales made in the aluminium segment. No other customer contributed to more than 10% of revenue.

E Disaggregation of revenue

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of goods:		
- Aluminium Ingot, Alloy Ingots	9,326.03	6,055.99
- Wire rods	3,041.05	1,919.87
- Rolled products	843.05	538.08
- By product	10.54	6.88
Power wheeling	726.97	1,278.66
Commodity hedging gain/(loss)	(340.62)	(111.56)
Total	**13,607.02**	**9,687.92**

42 Related party disclosures

A Names of related parties and description of relation :

(i) Entities controlling the Company (Holding Companies):

Vedanta Limited (VL)- Immediate Holding Company (Holding 51% equity shares in the Company)
Volcan Investments Limited (Ultimate Holding Company)

(ii) Related parties other than holding companies with whom transactions have taken place during the year

(a) Fellow subsidiaries

Hindustan Zinc Limited (HZL)
Maritime Ventures Private Limited (MVPL)
Talwandi Sabo Power Limited (TSPL)

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

42 Related party disclosures (Contd..)

Vizag General Cargo Berth Pvt. Limited (VGCB)
Sterlite Technologies Limited (STL)
Sterlite Power Transmission Limited (SPTL)
Electrosteel Steels Limited (ESL)
Ferro Alloys Corporation Ltd.

(b) Associates

Serentica Renewables India 1 Private Limited (Serentica)**

(c) Other related parties

Vedanta Foundation (VF) - Key managerial personnel of Holding Company are trustees of the foundation

Vedanta Medical Research Foundation (VMRF) - Public Company (registered under section 8 of The Companies Act, 2013) with common director between the Company and VRMF

BALCO Employee Provident Fund Trust- Post employment benefit plan

Runaya Refining LLP- Partners are relative of Director and KMP of Holding Company

(iii) Government as a related party
Government of India - President of India (Holding 49 % shares in the Company)

(iv) Key management personnel

(a) Non Executive Director	Mr. Sushil Kumar Roongta Mr. Tarun Jain Ms. Yatinder Prasad (Government nominee) (Till August 3, 2021) Ms. Nirupama Kotru (Government nominee) (w.e.f. August 4, 2021) Mr. Shakil Alam (Government nominee) (w.e.f August 4, 2021) Mr. Mustaq Ahmed (Government nominee) Mr. Alok Chandra (Government nominee) (Till August 3, 2021)
(b) Independent Directors	Mr. Din Dayal Jalan (w.e.f. July 30, 2020) Mr. Arun Todarwal (w.e.f. August 1, 2020) Mr. Tapan Kumar Chand (Till July 23, 2021)
(c) CEO and Whole-time Director	Mr. Abhijit Pati (w.e.f. July 19, 2019)
(d) Chief financial officer	Mr. Rahul Roongta (Till Aug 23, 2021) Mr. Amit Gupta (w.e.f. Aug 24, 2021)
(e) Company Secretary	Mr. Vinod Mathur (Till Sep 15, 2021) Mr. Prateek Jain ((w.e.f. Dec 10, 2021)

B Transactions with related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations		
Vedanta Limited	583.86	419.53
HZL	43.61	24.47
SPTL	185.84	50.28
ESL	1.12	4.32
Total	**814.43**	**498.60**

Notes to the Financial Statements
for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

42 Related party disclosures (Contd..)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent income		
Vedanta Limited	7.19	0.67
Interest income		
Vedanta Limited	-	**2.28**
Purchase of goods/services		
Vedanta Limited	1,175.33	739.34
VGCB	2.56	-
MVPL	2.66	-
Runaya Refining LLP	2.75	
HZL	-	0.45
Total	**1,183.30**	**739.79**
Donations given		
Vedanta Foundation	0.07	-
VMRF (Refer note 35(2))	27.53	44.05
Total	**27.60**	**44.05**
Corporate Guarantee of VMRF relinquished	**(4.35)**	**(20.72)**
Recovery/(reimbursement) of Expenses#		
Vedanta Limited	(51.45)	(29.78)
HZL	(0.24)	(6.30)
TSPL	0.10	0.27
ESL	(0.27)	0.03
VGCB	0.06	0.05
STL	0.01	0.01
FACOR	(0.00)	-
VMRF	(0.17)	(0.21)
Total	**(51.96)**	**(35.93)**
Purchase/(sale) of Property, Plant and Equipments		
Vedanta Limited	(40.12)	0.09
HZL	0.01	(0.00)
Total	**(40.11)**	**0.09**
Remuneration to KMPs		
Short term employee benefits	7.26	4.80
Post employment benefits	0.17	0.19
Other long term benefits*	0.14	0.12
Total	**7.57**	**5.11**
Commission/sitting fees to directors	0.99	0.54
Contribution to post retirement employee benefit trust	14.67	14.93

#Includes reimbursement towards other expenses and employee benefits expense.

*Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

Notes to the Financial Statements

for the year ended March 31, 2022

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42 Related party disclosures (Contd..)

The receivables from and payables to related parties as at March 31, 2022 and March 31, 2021 are set out below:

Particulars	As at March 31, 2022	As at March 31, 2021
Receivable from:		
Vedanta Limited	2.85	10.28
HZL	2.06	3.54
VGCB	-	0.03
STL	-	0.01
SPTL	0.00	0.00
TSPL	0.00	0.07
ESL	-	0.31
Total	**4.91**	**14.24**
Payable to:		
Vedanta Limited*	9.81	23.86
MVPL	0.45	-
TSPL	-	-
VGCB	0.34	-
Runaya Refining LLP	2.75	-
SPTL	0.05	-
Balco Employees Provident Fund Trust	5.30	5.21
Total	**18.70**	**29.07**
Corporate Guarantee given:		
VMRF	0.39	4.73
Total	**0.39**	**4.73**

*It excludes payable related to supply of material whereby financial institution has made payment to suppliers and the same is payable to financial institution by the company of ₹ NIL (March 31, 2021: ₹ 104.57 Crore).

**During the year, the Company has executed a Power Delivery Agreement ('PDA') with Serentica Renewables India 1 Private Limited ('Serentica'), a fellow subsidiary created for building a renewable energy power project ("the Project") of approximately 200 MW, on a group captive basis. Under the terms of the PDA, the Company is expected to infuse equity of approximately Rs 250 crore for twenty six percent stake in Serentica for procuring renewable power on a fixed tariff over twenty five years from the date of commissioning of the Project. No significant project related activities has been carried out subsequent to signing of the PDA.

C Government of India as a related party

Government of India (GOI), is also a related party as it holds 49% equity shareholding in the Company. The Company has entered into multiple transactions including but not restricted to purchase/sale of goods and services and availed loans and paid/accrued interest on the same to GOI and entities which are related parties of the GOI.

Notes to the Financial Statements

for the year ended March 31, 2022

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43 Financial instruments

Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in note no. 3.

I Financial assets and liabilities as at

Particulars	March 31, 2022				
	Fair value through profit or loss	Fair value through other comprehensive income/ Derivatives designated as hedging instruments	Amortised Cost	Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	436.74	436.74	436.74
Other bank balances	-	-	0.15	0.15	0.15
Investments	305.18	-	-	305.18	305.18
Loans	-	-	1.52	1.52	1.52
Trade receivables	91.61	-	505.09	596.70	596.70
Derivatives	-	1.52	-	1.52	1.52
Other financial assets	-	-	310.94	310.94	310.94
Total	**396.79**	**1.52**	**1,254.44**	**1,652.75**	**1,652.75**
Financial liabilities					
Borrowings	-	-	1,141.53	1,141.53	1,141.53
Operational buyers' credit/suppliers' credit	-	-	423.79	423.79	423.79
Trade payables	-	-	1,314.18	1,314.18	1,314.18
Derivatives	1.81	74.01	-	75.82	75.82
Other financial liabilities	-	-	319.08	319.08	319.08
Total	**1.81**	**74.01**	**3,198.58**	**3,274.40**	**3,274.40**

Particulars	March 31, 2021				
	Fair value through profit or loss	Fair value through other comprehensive income/ Derivatives designated as hedging instruments	Amortised Cost	Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	108.97	108.97	108.97
Other bank balances	-	-	0.21	0.21	0.21
Investments	1,024.46	-	-	1,024.46	1,024.46
Loans	-	-	1.20	1.20	1.20
Trade receivables	12.56	-	667.32	679.88	679.88
Derivatives	0.21	1.20	-	1.41	1.41
Other financial assets	-	-	213.06	213.06	213.06
Total	**1,037.23**	**1.20**	**990.76**	**2,029.19**	**2,029.19**

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

Particulars	March 31, 2021				
	Fair value through profit or loss	Fair value through other comprehensive income/ Derivatives designated as hedging instruments	Amortised Cost	Carrying Value	Fair Value
Financial liabilities					
Borrowings	-	-	2,353.41	2,353.41	2,353.41
Operational buyers' credit/ suppliers' credit	-	-	1,468.65	1,468.65	1,468.65
Trade payables	-	-	810.21	810.21	810.21
Derivatives	1.02	112.36	-	113.39	113.39
Other financial liabilities	-	-	1,216.53	1,216.53	1,216.53
Total	**1.02**	**112.36**	**5,848.80**	**5,962.19**	**5,962.19**

Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial Instruments	As at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets			
Investments at fair value through profit and loss	305.18	-	-
Derivative financial assets at fair value through profit and loss	-	-	-
Derivative financial assets at fair value through other comprehensive income	-	1.52	-
Trade receivables at fair value through profit and loss	-	91.61	-
Total	**305.18**	**93.13**	**-**
Financial liabilities			
Derivative financial liabilities at fair value through profit and loss	-	1.81	-
Derivative financial liabilities at fair value through other comprehensive income	-	74.01	-
Total	**-**	**75.82**	**-**

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

Financial instruments	March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets			
Investments at fair value through profit and loss	1,024.46	-	-
Derivative financial assets at fair value through profit and loss	-	0.21	-
Derivative financial assets at fair value through other comprehensive income	-	1.20	-
Trade receivables at fair value through profit and loss	-	12.56	-
Total	**1,024.46**	**13.97**	**-**
Financial liabilities			
Derivative financial liabilities at fair value through profit and loss	-	1.02	-
Derivative financial liabilities at fair value through other comprehensive income	-	112.36	-
Total	**-**	**113.38**	**-**

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2022 and March 31, 2021:

Financial instruments	Level 1	Level 2	Level 3
As at March 31, 2022			
Non-current and current borrowings	-	656.67	-
Current maturities of long term borrowings	-	484.86	-
Total	**-**	**1,141.53**	**-**

Financial instruments	Level 1	Level 2	Level 3
As at March 31, 2021			
Non-current and current borrowings	-	2,353.41	-
Current maturities of long term borrowings	-	813.30	-
Total	**-**	**3,166.71**	**-**

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Non-current borrowings including current maturity of long term borrowings: Fair value has been determined by the Company based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.
- Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate to fair value.
- Derivative financial assets/liabilities: The Company enters into derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are valued

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for the year ended March 31, 2022

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43 Financial instruments (Contd..)

using valuation techniques with market observable inputs. The most frequently applied valuation techniques for such derivatives include forward pricing using present value calculations, foreign exchange spot and forward premium rates. Commodity contracts are valued using the forward LME rates of commodities actively traded on the listed metal exchange i.e. London Metal Exchange, United Kingdom (U.K.).

- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair value of investments are on the basis of net asset value as declared by mutual fund house as on the balance sheet date.

There has been no transfer between level 1 and level 2 during the year or previous year.

II Risk Management Framework (Also refer note no. 47 below)

The Company's businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The Audit Committee is aided by the CFO Committee and the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions Key business decisions are discussed at the periodic meetings of the CFO Committee and the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

III Treasury Management (Also refer note no. 47 below)

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Executive Committee

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for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

meetings. Day-to-day treasury operations are managed by Company's finance teams within the framework of the overall Company's treasury policies. Long-term fund raising including strategic treasury initiatives are handled by a central team. A monthly reporting system exists to inform senior management of investments, debt, currency, commodity and interest rate derivatives. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are effectively supplemented by regular internal audits.

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates and commodity prices. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward/future contracts and these are subject to the Company's guidelines and policies.

IV Commodity Price Risk (Also refer note no. 47 below)

The Company is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Company produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Company aims to sell the products at prevailing market prices. The commodity price risk in import Alumina is hedged on back-to back basis ensuring no price risk for the business. The Company aims to achieve the monthly average of the commodity prices for sales realization. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and as per strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level and with clearly laid down guidelines for their implementation by the Company.

Whilst the Company aims to achieve average LME prices for a month or a year, average realised prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realised on commodity contracts
- purchases and sales of physical contracts
- cash flow hedging of revenues, forecasted highly probable transactions

The requirement of the primary raw material, alumina, is partly met from own sources and the rest is purchased primarily on negotiated price terms. Sales prices are linked to the LME prices. At present the Company on selective basis hedges the aluminium content in outsourced alumina to protect its margins.

The Company also enters into hedging arrangements for its aluminium sales to realise month of sale LME prices. Since all of the provisionally priced financial instruments of the company are hedged, movement in aluminium prices at London metal exchange would have no impact on profit after tax for the year ended March 31, 2022 and March 31, 2021.

V Financial Risk (Also refer note no. 47 below)

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

(i) Liquidity Risk

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. The Company has been rated by ICRA, (unit of ICRA Group of Companies) for its banking facilities in line with Basel II norms. During the year, ICRA rated the Company's long-term bank facilities a rating of AA Stable Outlook (pronounced ICRA double A).

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

Financial liabilities	<1 year	1-3 years	3-5 years	>5 years	Total
As at March 31, 2022					
Borrowings	547.61	575.91	18.00	-	1,141.52
Trade payables and other financial liabilities	2,053.35	-	-	-	2,053.35
Derivative financial liabilities	75.82	-	-	-	75.82
Contractual interest obligation	32.64	10.07	-	-	42.71
Total	**2,709.42**	**585.98**	**18.00**	**-**	**3,313.40**
As at March 31, 2021					
Borrowings*	946.64	1,523.94	703.08	-	3,173.66
Trade payables and other financial liabilities	2,670.63	-	-	-	2,670.63
Derivative financial liabilities	86.66	26.73	-	-	113.39
Contractual interest obligation	221.45	248.30	46.35	-	516.10
Total	**3,925.38**	**1,798.97**	**749.43**	**-**	**6,473.78**

*After taking effects of the moratorium availed by the Company, granted by the banks after the notification issued by Reserve Bank of India in view of the COVID-19 pandemic.

The company had access to following funding facilities:

Funding facility	Total Facility	Drawn	Undrawn
As at March 31, 2022			
Fund based limit	4,533.91	1,143.91	3,390.00
Non fund based limit	3,578.00	1,243.76	2,334.24
Total	**8,111.91**	**2,387.67**	**5,724.24**
As at March 31, 2021			
Fund based limit	3,480.32	3,067.35	412.97
Non fund based limit	3,195.00	1,891.20	1,303.80
Total	**6,675.32**	**4,958.55**	**1,716.77**

Collateral

The Company has hypothecated all of its trade receivables and cash and cash equivalents in order to fulfill the collateral requirements for the financial facilities in place. The counterparties have an obligation to return the securities to the Company. There are no other significant terms and conditions associated with the use of collateral.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

(ii) Foreign exchange Risk

Fluctuations in foreign currency exchange rates may have an impact on the statements of profit and loss, the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Exposures on foreign currency loans are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Company uses forward exchange contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions and loans denominated in foreign currencies. The Company is also exposed to foreign exchange risk on its exports. Most of these transactions are denominated in US dollars. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns and hedged as per Company's hedging policy. However, all new long-term borrowing exposures are being hedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the statements of profit and loss and statements of other comprehensive income. The exposure summarised below is mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on "Derivative financial instruments

Particulars	Financial assets		Financial liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
INR	1,366.40	1,912.68	2,774.79	4,671.30
USD	286.35	116.38	498.30	1,285.42
Others	-	0.13	1.31	5.47
Total	**1,652.75**	**2,029.19**	**3,274.40**	**5,962.19**

The Company's exposure to foreign currency arises where a Company entity holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity, with US dollar being the major non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 10% against the functional currency of the respective entities.

A 10% appreciation/depreciation of the respective foreign currencies with respect to the functional currency would result in net decrease/increase in the Company's profit or loss and equity for the year by ₹ 37.21 Crore (March 31, 2021: ₹ 17.14 Crore).

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

(iii) Interest rate risk

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. The US dollar debt is split between fixed and floating rates (linked to US dollar LIBOR) and the Indian Rupee debt is principally at fixed interest rates. These exposures are reviewed by appropriate levels of management on a monthly basis. The Company invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax-free return, to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are mainly interest bearing trade receivables and mutual fund investments if any which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

The exposure of the Company's financial assets and financial liabilities to interest rate risk is as follows

Financial liabilities	Floating rate	Fixed rate	Non-interest bearing	Total	Weighted average interest rate (fixed rate)	Weighted average period for which the rate is fixed (in year)
Financial assets						
As at March 31, 2022	305.18	454.20	893.37	1,652.75	2.17%	0.20
As at March 31, 2021	1,024.46	414.14	590.59	2,029.19	2.07%	0.17
Financial liabilities						
As at March 31, 2022	1,128.77	436.54	1,709.08	3,274.40	0.99%	0.07
As at March 31, 2021	3,166.71	1,468.65	1,326.83	5,962.19	4.70%	0.14

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on interest expense on loans and borrowings. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Movement in interest rates	As at March 31, 2022	As at March 31, 2021
0.50%	4.12	10.71
1.00%	8.24	21.42
2.00%	16.47	42.85

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

(iv) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, short-term investments, financial guarantees and derivative financial instruments.

Credit risk on receivables is limited as almost all credit sales are against letters of credit and guarantees of banks of national standing. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes and bonds. The carrying value of the financial assets other than cash represents the maximum credit exposure.

The Company's maximum exposure to credit risk is ₹ 1652.75 Crore and ₹ 2029.19 Crore as at March 31, 2022 and March 31, 2021 respectively.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2021, that defaults in payment obligations will occur except as described in note nos. 6 and 12 on trade and other receivables.

Particulars	As at March 31, 2022	As at March 31, 2021
Neither impaired nor past due	364.17	328.76
Past due		
-Less than 1 month	134.78	118.09
-Between 1-3 months	192.80	55.04
-Between 3-12 months	45.42	145.13
-Greater than 12 months	171.98	248.53
Total	**909.15**	**895.55**

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'Past due' in the above table are those that have not been settled within the terms and conditions that have been agreed with those customers. However, considering the facts of those cases, the Company considers them as fully recoverable within one year except for certain power receivable of ₹ 229.61 (₹ 344.18 as at March 31, 2021) Crore, recovery of which depends on resolution of the coal wholesale price indexation and change in law matter with the customer and final order of CSERC.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The solvency of customers and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables are impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

VI Derivative Financial Instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and these are subject to the Company's guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and noncurrent assets and liabilities. Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.

The Company uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates and commodity prices. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

(i) Cash Flow Hedges

The Company also enters into forward exchange contracts and commodity price contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to the statements of profit or loss. These hedges have been effective for the year ended March 31, 2022 and March 31, 2021.

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions.

The majority of cash flow hedges taken out by the Company during the year comprise derivative hedging instruments for hedging the commodity price risk of highly probable forecast transactions.

The cash flows related to above are expected to occur during the year ending March 31, 2023 and consequently may impact the statement of profit or loss for that year depending upon the change in the commodity prices and foreign exchange rates movements.

(ii) Fair Value Hedges

The fair value hedges relate to forward covers taken to hedge currency exposure and commodity price risks.

The Company's part of sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Company enters into futures contracts for the respective quotational period to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales.

Notes to the Financial Statements
for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in the statement of profit or loss.

(iii) Non Qualifying Hedges

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include aluminium future contracts on the LME and certain other derivative instruments. Fair value changes on such derivative instruments are recognized in the statements of profit or loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

Derivative Financial Instrument [c]	As at March 31, 2022		As at March 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge(a)				
- Commodity contracts	-	33.40	-	16.96
Fair Value hedge(b)				
- Commodity contracts	1.52	8.13	1.19	5.96
- Forward foreign currency contracts	-	32.48	0.01	62.72
Non - qualifying hedges(b)				
- Commodity contracts	-	1.81	-	1.02
- Forward foreign currency contracts	-	-	0.21	-
Total Current	**1.52**	**75.82**	**1.41**	**86.66**
Non-current				
Fair value hedge(b)				
- Forward foreign currency contracts	-	-	-	26.73
Total Non-current	**-**	**-**	**-**	**26.73**
Total	**1.52**	**75.82**	**1.41**	**113.39**

Refer statement of profit and loss and statement of changes in equity for the change in the fair value of cash flow hedges.

Refer Balance Sheet for non-current and current derivative receivables and payables.

Derivative contracts entered into by the Company and outstanding as at Balance Sheet date :

(a) Hedged Foreign currency exposure :

(i) To hedge currency risks and interest related risks, the Company has entered into various derivatives contracts. The category wise break up of amount outstanding as on Balance Sheet date is given below :

Particulars	As at March 31, 2022	As at March 31, 2021
Forex forward cover (buy)	370.90	1,790.75
Forex forward cover (sell)	-	-

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

(ii) For hedging commodity related risks: - Category wise break up is given below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Purchase	Sale	Purchase	Sale
Forwards / Futures				
Aluminium (MT)	-	22,850.00	-	23,600.00

All derivative and financial instruments acquired by the Company are for hedging purposes only.

(b) Unhedged foreign currency exposure is as under:-

Particulars	As at March 31, 2022	As at March 31, 2021
Payables	658.46	287.90
Receivables	286.35	116.51

(c) The Company enters into certain contracts where the prices are provisional.

Outstanding position of such contracts are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	MT	Amount	MT	Amount
Sale of Aluminium	-	-	-	-

44 Critical estimates and judgements in applying accounting policies

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Property, plant and equipment and useful life of property, plant and equipment and intangible assets

The carrying value of property, plant and equipment is arrived at by depreciating the assets over the useful life of assets. The estimate of useful life is reviewed at the end of each financial year and changes are accounted for prospectively.

ii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cashflow (DCF) model. The cash flows are derived from the budget for the remaining useful lives of assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other intangibles with indefinite useful lives recognised by the Company. During the year, Management assessed indicators of impairment in the Aluminium business of the company, considering that as a single cash-generating unit, and identified no triggers to test the assets for impairment.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

44 Critical estimates and judgements in applying accounting policies (Contd..)

iii) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer note nos. 20, 26 and 40).

iv) Provisions for site restoration

In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at 31 March 2022 is ₹ 62.31 Crore ('March 31, 2021 : ₹ 58.72 Crore). The Company estimates that the costs would be realised upon the expiration of the lease and calculates the provision using the DCF method based on discount rate of 7.2% If the estimated pre-tax discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been ₹ 1 crore lower (Refer note no. 20 & 34).

v) Defined benefit plan

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates (Refer note no. 39).

vi) Recoverability of deferred tax and other income tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets on unabsorbed depreciation/business loss have been recognised based on future profits. Further details on taxes are disclosed in note no. 38.

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

44 Critical estimates and judgements in applying accounting policies (Contd..)

vii) Recoverability of CSR pre-spent assets

CSR pre-spent assets are recognised to the extent that it is probable that there will be CSR obligations available against which the assets can be utilised. Significant management judgement is required to determine the amount of CSR pre-spent assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

viii) Revenue recognition and receivable recovery in relation to the power segment

In certain cases, the Company's power customers are disputing claims raised by the Company on account of change in law and retrospective change in wholesale price index of cost made by CERC. Significant judgement is required in both assessing the revenue to be recognised in accordance with Ind AS 115 and to assess the recoverability of the amount accounted for as receivables.

In assessing this critical judgment, management considered favourable court orders the Company has received in relation to such claims. In addition, the fact that the contracts are with Government owned companies implies that the credit risk is low (Refer note no. 6).

45 Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value . The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity ,internal fund generation and borrowed funds.. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises share capital and free reserves (total reserves excluding cash flow hedges, debenture redemption reserve and capital reserve). The following table summarizes the capital of the Company:

Particulars	As at March 31, 2022	As at March 31, 2021
Share capital	220.62	220.62
Free reserves	7,473.57	4,740.14
Equity (A)	**7,694.19**	**4,960.76**
Cash and cash equivalents	436.74	108.97
Short term investments	305.18	1,024.46
Total cash (B)	741.92	**1,133.43**
Short-term borrowings	547.60	133.34
Long-term borrowings	593.92	2,220.07
Current Maturity of long term borrowings	-	813.30
Total debt (C)	**1,141.52**	**3,166.71**
Net debt D=(C-B)	**399.60**	**2,033.28**
Total capital (equity + net debt)	**8,093.79**	**6,994.04**
Net debt to equity ratio (E=D/A)	**0.05**	**0.41**

Notes to the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

46 The following matters have been considered by the management in determining the appropriateness of the going concern assumption for preparation of these financial statements:

- The entity expects that the net cash inflows from operating activities, which includes management assumptions regarding timing of settlement of certain current liabilities, in conjunction with the line of credit will be sufficient to cover the net current asset deficiency of near future.
- ICRA rating of A1+ for Company's commercial paper and non-fund based banking facilities gives confidence to raise the short-term funds, whenever required.
- ICRA assigned fund based banking facilities a rating of AA, which can also be helpful to raise long term funds, if necessary.
- Operational buyers'/suppliers' credit outstanding as on March 31, 2022 might be rolled over or replaced with fresh buyers'/suppliers' credit for purchase of imported raw materials in normal course.
- In the previous years also, current liabilities of the Company have been higher than current assets. However, the Company has been able to continue without any reduction in operation.

The management is confident that the entity will be able to meet its working capital liabilities through the normal cyclical nature of receipts and payments and hence, these financial statements have been prepared adopting the going concern assumption.

47 The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reasons
a) Current ratio	Current Assets	Current Liabilities	0.73	0.53	38%	Current ratio has been improved due to decrease in current maturities of long term borrowing and increase in cash and cash equivalent.
b) Debt-Equity ratio	Total Debt incl.lease liabilities	Shareholder's Equity	0.15	0.64	-77%	Debt Equity ratio has been improved due repayment of borrowing and increase in profit during the year.
c) Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	3.84	1.47	161%	Debt service coverage ratio has been improved due to increase in profit during the year.
d) Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.43	0.24	79%	Return on equity ratio has been improved due to increase in profit during the year.
e) Inventory turnover ratio	Revenue from operations	Average Inventory	12.86	9.33	38%	Inventory turnover ratio has been increased due to significant increase in revenue during the year.
f) Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	21.32	12.77	67%	Trade receivable turnover ratio has been improved due to increase in revenue during the year.
g) Trade payables turnover ratio	Purchases	Average Trade Payables	2.61	1.34	95%	The Trade payables turnover ratio has increased due to increase in input commodity costs during the year.

Notes to the Financial Statements
for the year ended March 31, 2022

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reasons
h) Net capital turnover ratio	Revenue from operations	Working capital = Current assets – Current liabilities	*	*	*	-
i) Net profit ratio (%)	Profit after Tax	Revenue from operations	20%	11%	82%	Net Profit Ratio has increased due to significant increase in net profit during the year.
j) Return on capital employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	40%	26%	54%	Return on capital employed ratio has increased due to significant increase in earning before tax during the year.
k) Return on investment (%)	Income from Investments measured at FVPTL	Average investment	6%	2%	200%	Return on investment ratio has been increased due to increase in income from investment.

*Net working capital is negative.

**All the ratios are in times unless specified.

48 Relationship with struck off companies:

Name of the struck off company	Nature of transactions	Balance outstanding as at 31.03.2022	Relationship with the struck off company
R.S. FOILS PRIVATE LIMITED	Advance from customer	0.10	No

Name of the struck off company	Nature of transactions	Balance outstanding as at 31.03.2021	Relationship with the struck off company
R.S. FOILS PRIVATE LIMITED	Advance from customer	0.03	No

See accompanying notes to the financial statements

As per our report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 55596

Place: Kolkata
Date: April 21, 2022

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302
Place: Gurugram

Abhijit Pati
CEO & Whole-time Director
DIN: 08457230
Place: Korba

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: Korba
Date: April 21, 2022

Notes

Bharat Aluminium Company Limited

Aluminium Sadan, Core-6, Scope Office Complex 7,
Lodhi Road, New Delhi - 110 003