S.R. BATLIBOI & CO. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Bharat Aluminium Company Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Bharat Aluminium Company Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 Ind AS 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, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS 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 Ind AS 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 Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in note 4(a) and 28 of the Ind AS financial statements)*	
For the year ended March 31, 2019, the Company has recognized revenue from operations of Rs. 10,149.00 crores.	Our audit procedures included • Considered the appropriateness of the Company's revenue recognition accounting policies and

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Key audit matters	How our audit addressed the key audit matter
Revenue recognition has been recognized as a key audit matter due to complex revenue streams across the Company. We have identified following key areas for consideration: • Complex calculation of power tariff agreements with customers, especially relating to the retrospective amendment of tariff • Cut-off: The variety of terms that define when control is transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period	assessing compliance with the policies in terms of Ind AS 115. • Performed walkthroughs and test of controls, assisted by IT specialists, of the revenue recognition processes and assessed the design and operating effectiveness of key controls. • Inspected the terms of the power purchase agreements to assess the reasonability of the inputs used in the calculation of the power tariff in respect of the revenue recognized. Other procedures relating to the revenue of the Power division are mentioned in the recoverability of disputed receivables section. • Selected a sample of sales across the Company made pre and post year end, to verify the date of revenue recognition to third party support, such as bills of lading, to confirm sales are recognized according to contract conditions. • Examined invoice samples with various shipping terms to ensure that revenue has been recognized appropriately.
<u>Recoverability of disputed receivables</u> *(as described in note 28 of the Ind AS financial statements)*	
As of March 31, 2019, the value of disputed receivables in the power segment aggregated to Rs. 183.91 crores. Due to disagreements over the quantification or timing of the balance, especially with respect to retrospective increase in tariffs, the recovery of said receivables are subject to increased risk. Some of these balances are also subject to litigation. These receivables also have long outstanding elements of their balance.	Our audit procedures included the following:- • Examined the underlying power purchase agreements. • Inspected the relevant rulings of the state regulatory commission and appellate tribunal. • Inspected external legal opinions in respect of the merits of the case and critically assessed management's position through discussions with the legal counsel and Company's inhouse legal team to determine the basis of their conclusion. • Examined management's assessment of recoverability of receivables. • Assessed the adequacy of the disclosures made by the Company in this regard.
<u>Recognition and recoverability of deferred tax assets</u> *(as described in note 41 of the Ind AS financial statements)*	
The Company's ability to recognize deferred tax assets is assessed by management at the end of each reporting period. This assessment involves determination of future taxable profits to ascertain whether it is reasonably certain that taxable profits will be available against which the deferred tax assets can be utilized. As at and for the year ended March 31, 2019, the Company has recognized	Our audit procedures included the following:- • Obtained and analysed the future business projections estimated by management, assessed the key assumptions used, including the analysis of the consistency of the actual results obtained with those projected in the previous year. We further obtained evidence of the approval of the budgeted results included in the current year's projections, and the reasonableness of the future cash flow projections and the consistency of those projections with those used

Key audit matters	How our audit addressed the key audit matter
deferred tax assets of Rs 396.65 crores (including MAT credit of Rs. 11.71 crores) mainly on tax losses including unabsorbed tax depreciation which would be realized subject to availability of future taxable profits. Determination of future taxable profits is complex and involves significant management judgments and estimates related to the assumptions / projections used for determination of revenue and taxable profits of future years. Accordingly, the same is considered to be a key audit matter.	in other areas of estimation such as those used for assessing the recoverability of assets. • Tested the completeness and accuracy of the amounts recognised as deferred tax assets. • Assessed the adequacy of the disclosures made by the Company in this regard.
Claims and exposures relating to litigations and taxation *(as described in note 5, 27 & 43(ii) of the Ind AS financial statements)*	
The Company is subject to number of legal and tax related claims which have been disclosed / provided for in the financial statements based on the facts and circumstances of each case. Taxation and litigation exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.	Our audit procedures included the following: - • Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls, we have performed tests of controls. • Obtained a summary of Company's legal and tax cases and critically assessed management's position through discussions with the Head of Legal, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Inspected external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims. • Engaged tax specialists to technically appraise the tax positions taken by the management with respect to tax matters. • Assessed the disclosures made in the financial statements to ensure they appropriately reflect the facts and circumstances of the respective legal and tax exposures and are in accordance with the requirements of relevant accounting standards.

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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 Ind AS financial statements and our auditor's report thereon.

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

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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;

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

(d) In our opinion, the aforesaid Ind AS 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS 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, 2019 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 Ind AS financial statements – Refer Note 5, 27 & 43(ii) to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

Ragrawal

per Raj Agrawal
Partner
Membership Number: 82028
Place of Signature: Gurugram
Date: May 2, 2019

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

(b) The Company has a planned program of verifying all the fixed assets once in three years, according to which, all the fixed assets were physically verified by the management in the previous year. We understand that no material discrepancies have been noticed on such verification. In our opinion, such physical verification program is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment, are pledged with the banks and are not available with the Company and have not been independently confirmed by the bank. Further, as explained to us:

- 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.
- The land transferred to the Company by National Thermal Power Corporation Limited (NTPC) vide agreement dated June 20, 2002, comprising 171.44 acres land for the Company's 270 MW captive power plant and its allied facilities and 34.74 acres land for its staff quarters, is yet to be registered in favour of the Company due to non-availability of title deeds from NTPC.
- In respect of 1804 acres of Government leasehold land (which includes forest land), we are informed that Division Bench of Hon'ble High Court of Chhattisgarh has upheld that the Company is in legal possession of this land. Subsequent to the said order, the State Government has decided to issue the lease deed in favour of the Company after clearance of forest land diversion issue, which is sub-judice before the Hon'ble Supreme Court.

(ii) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in such confirmations.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

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(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of sections 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(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 not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax goods and services tax, cess and other statutory dues have generally been regularly deposited with appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, goods and services tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding in respect of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and services tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act,1956	Sales Tax including interest and penalty, as applicable	0.01	2002-03	Deputy Appellate Commissioner, Kolkata
West Bengal Value Added Tax Act, 2003	Sales Tax including interest and penalty, as applicable	0.04	2007-08	Commercial Tax Tribunal, Kolkata
Chhattisgarh VAT Act, 2003	Sales Tax including interest and penalty, as applicable	0.24	2006-07 to 2009-10	Commercial Tax Tribunal, Raipur

Central Excise Act, 1956	Excise duty including interest and penalty, as applicable	47.85	2007-08, 2009-10	CESTAT, New Delhi

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks and debenture holders. The Company did not have any outstanding dues in respect of a financial institution or to Government, during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments. Further, term loans were applied for the purpose for which the loans were obtained.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, 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.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) 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 the Act, where applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

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(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Raj Agrawal
Partner
Membership Number: 82028
Place of Signature: Gurugram
Date: May 2, 2019

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ANNEXURE 2 REFERRED TO IN PARAGRAPH 2 (f) OF THE SECTION ON "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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 over financial reporting of Bharat Aluminium Company Limited ("the Company") as of March 31, 2019 which is based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO 2013 criteria) 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 under the COSO 2013 criteria which considers the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting in COSO 2013 criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Raj Agrawal
Partner
Membership Number: 82028
Place: Gurugram
Date: May 2, 2019

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Bharat Aluminium Company Limited
Audited Balance Sheet as at March 31, 2019

(Rs. in Crore)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	10,608.46	10,688.59
(b) Capital work-in-progress		88.00	255.34
(c) Intangible assets	6	3.05	4.80
(d) Financial assets			
(i) Trade receivables	7	237.72	57.49
(ii) Loans	8	0.80	0.58
(iii) Other financial assets	9	48.23	33.49
(e) Income tax assets (net)		9.86	8.86
(f) Deferred tax assets (net)	41	396.65	-
(g) Other non-current assets	10	264.48	217.34
Total non-current assets		**11,657.25**	**11,266.49**
Current assets			
(a) Inventories	11	1,370.51	1,021.08
(b) Financial assets			
(i) Investments	12	100.11	50.08
(ii) Trade receivables	13	496.92	355.62
(iii) Cash and cash equivalents	14	336.11	3.82
(iv) Other bank balances	15	0.13	0.12
(v) Loans	16	1.43	1.87
(vi) Derivatives		1.51	42.33
(vii) Other financial assets	17	9.34	128.00
(c) Other current assets	18	414.18	417.78
Total current assets		**2,730.24**	**2,020.70**
Total assets		**14,387.49**	**13,287.19**
Continued..			

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BHARAT ALUMINIUM COMPANY LIMITED * KORBA (C.G.) *

Bharat Aluminium Company Limited

Audited Balance Sheet as at March 31, 2019

(Rs. in Crore)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Equity			
Equity share capital	19	220.62	220.62
Other equity	SOCIE	3,841.33	3,303.84
Total Equity		**4,061.95**	**3,524.46**
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	20	3,425.33	3,758.33
(ii) Derivatives		98.89	106.85
(b) Provisions	21	129.26	131.50
(c) Other non-current liabilities	22	748.66	769.24
Total non-current liabilities		**4,402.14**	**4,765.92**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	23	503.11	1,105.20
(ii) Trade payables			
a) Total outstanding dues of Micro and Small enterprises	24(3)	38.21	6.35
b) Total outstanding dues of creditors other than Micro and Small enterprises	24	2,652.40	1,805.68
(iii) Derivatives		46.43	0.70
(iv) Other financial liabilities	25	910.74	846.30
(b) Other current liabilities	26	1,644.71	1,127.24
(c) Provisions	27	117.29	103.10
(d) Current tax liabilities		10.51	2.24
Total current liabilities		**5,923.40**	**4,996.81**
Total equity and liabilities		**14,387.49**	**13,287.19**

Accompanying notes 1 to 49 are an integral part of 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 Raj Agrawal

Partner

Membership No. 82028

S. R. BATLIBOI & CO. LLP GURUGRAM

Place: Gurugram

Date: May 02, 2019

BHARAT ALUMINIUM COMPANY LIMITED KORBA (C.G.)

For and on behalf of the Board of Directors

S K Roongta

Director

DIN: 00309302

Vikas Sharma

Chief Executive Officer & Director

DIN: 00761202

Rohit Soni

Chief Financial Officer

Vinod Mathur

Company Secretary

Place: New Delhi

Bharat Aluminium Company Limited
Statement of Profit and Loss for the year ended March 31, 2019

(Rs. in Crore, except as stated)

Particulars		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from sale of products (Net of excise duty)	28	10,049.12	8,710.69
	Add: Excise duty		-	169.28
	Other operating income	29	99.88	73.76
	Revenue from operations (Gross of excise duty)		**10,149.00**	**8,953.73**
II	Other income	30	400.49	43.57
III	**Total income (I + II)**		**10,549.49**	**8,997.30**
IV	**Expenses:**			
	Cost of materials consumed	31	4,480.80	3,174.38
	Purchases of stock-in-trade		82.86	-
	Changes in inventories of finished goods and work-in-progress	32	(13.27)	(71.04)
	Excise duty on sales (Refer Note 28.1)		-	169.28
	Power and Fuel (Refer Note 39,40)		2,904.17	2,662.14
	Employee benefits expense	33	396.70	341.81
	Finance costs	34	517.21	498.44
	Depreciation and amortisation expense	35	513.34	421.81
	Consumption of stores and spares (Refer Note 39,40)		154.10	146.96
	Other expenses	36	1,309.39	1,452.14
	Total expenses		**10,345.30**	**8,795.92**
V	**Profit before exceptional item and tax (III-IV)**		**204.19**	**201.38**
VI	Exceptional item	37	-	29.70
VII.	**Profit before tax (V-VI)**		**204.19**	**171.68**
VIII.	Tax expense/(credit):	41		
	-Current tax		11.71	-
	-Deferred tax		(380.60)	-
IX	**Profit for the year (VII-VIII)**		**573.08**	**171.68**
X	**Other Comprehensive income/(loss)**			
	Item that will not be subsequently reclassified to profit or loss		**6.02**	**0.36**
	(a) Re-measurement gains/(losses) on defined benefit obligations		(5.67)	0.36
	(b) Income tax effect		11.69	-
	Item that may be subsequently reclassified to profit or loss:		**(41.61)**	**53.21**
	(a) Cash flow hedges		(45.97)	53.21
	(b) Income tax effect		4.36	-
	Total Other Comprehensive income/(loss) for the year		**(35.59)**	**53.57**
XI	**Total Comprehensive income for the year**		**537.49**	**225.25**
XII.	Earnings per equity share (of Rs. 10/- each)	38		
	Basic and Diluted (in Rs. per share)		25.98	7.78

Accompanying notes 1 to 49 are an integral part of 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 Raj Agrawal
Partner
Membership No. 82028

Place: Gurugram
Date: May 02, 2019

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302

Vikas Sharma
Chief Executive Officer & Director
DIN: 00761202

Rohit Soni
Chief Financial Officer

Vinod Mathur
Company Secretary

Place: New Delhi

S. R. BATLIBOI & CO. LLP * GURUGRAM *

BHARAT ALUMINIUM COMPANY LIMITED * KORBA (C.G.) *

Bharat Aluminium Company Limited
Statement of Cash Flows for the year ended March 31, 2019

(Rs. in Crore)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from operating activities**		
	Profit before tax	204.19	171.68
	Adjusted for :		
	- Depreciation and amortisation expense	513.34	421.81
	- Leasehold prepayments amortisation	2.15	4.66
	- Interest income	(27.36)	(17.84)
	- Finance cost	514.59	466.87
	- (Profit)/loss on sale of current investments	(0.41)	(0.55)
	- Gain on mark to market of current investments	(0.03)	(0.06)
	- (Profit)/loss on sale of property, plant and equipment (net)	40.28	3.74
	- Unrealised net (gain)/loss on foreign currency transactions and translation	(25.88)	54.43
	- Provision for bad debts/advances/claims provision	36.32	34.15
	- Provisions written back (net)	(348.30)	(0.76)
	- Deferred government grant transferred	(20.57)	(20.51)
		684.13	945.94
	Operating profit before changes in assets and liabilities	888.32	1,117.62
	Adjusted for :		
	- (Increase)/decrease in trade receivables	(321.53)	(348.92)
	- (Increase)/decrease in inventories	(349.43)	(359.20)
	- (Increase)/decrease in other assets	59.11	(145.87)
	- Increase/(decrease) in trade payables	878.58	172.58
	- Increase/(decrease) in other liabilities	552.53	279.38
	- Increase/(decrease) in provisions	11.95	32.45
		831.21	(369.58)
	Cash generated from operations	1,719.53	748.04
	Net Income taxes (paid)/refunds	(4.74)	5.84
	Net cash from operating activities	1,714.79	753.88
B.	**Cash flow from investing activities**		
	Capital expenditure on property, plant and equipment including capital advances and capital creditors	(205.31)	(234.57)
	Sale of property, plant and equipment	0.15	18.23
	Purchases of current investments	(735.00)	(1,411.00)
	Sale of current investments	685.47	1,411.61
	Interest received	27.36	18.12
	Bank balances not considered as cash and cash equivalents		
	-Deposits placed	(0.01)	(2.11)
	-Deposits matured	-	-
	Net cash used in investing activities	(227.33)	(199.72)
C.	**Cash flow from financing activities**		
	Net (repayment of)/proceeds from short term borrowings with maturity of 3 months or less	(602.09)	(93.60)
	Proceeds from long-term borrowings	-	1,500.00
	Repayment of long-term borrowings	(51.00)	(1,457.70)
	Interest and finance charges paid	(502.07)	(508.40)
	Net cash used in financing activities	(1,155.16)	(559.70)
	Net (decrease) / increase in cash and cash equivalents	332.29	(5.54)
	Cash and cash equivalents as at the beginning of the year (refer note 14)	3.82	9.36
	Cash and cash equivalents as at the end of the year (refer note 14)	336.11	3.82

Accompanying notes 1 to 49 are an integral part of 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 Raj Agrawal
Partner
Membership No. 82028

Place: Gurugram
Date: May 02, 2019

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302

Vikas Sharma
Chief Executive Officer & Director
DIN: 00761202

Rohit Soni
Chief Financial Officer

Vinod Mathur
Company Secretary

Place: New Delhi

Bharat Aluminium Company Limited

Statement of Changes in Equity for the year ended March 31, 2019

A Equity share capital

(Rs. in Crore)

Particulars	Numbers of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid:		
As at March 31, 2018	220,624,500	220.62
As at March 31, 2019	220,624,500	220.62

B Other equity

(Rs. in Crore)

Particulars	Reserve and Surplus					OCI		Total
	Capital Reserve	Retained Earnings	Debenture Redemption Reserve [2]	General Reserve [1]	Total reserves (other than OCI)	Cash flow Hedge	Total OCI	
Balance as at April 1, 2017	9.20	2,533.79	125.00	430.31	3,098.30	(19.71)	(19.71)	3,078.59
Profit for the year	-	171.68	-	-	171.68	-	-	171.68
Other comprehensive income for the year[3]	-	0.36	-	-	0.36	53.21	53.21	53.57
Total comprehensive income for the year	-	172.04	-	-	172.04	53.21	53.21	225.25
Transferred from Debenture Redemption Reserve to Retained Earnings	-	83.33	(83.33)	-	-	-	-	-
Balance as at April 1, 2018	9.20	2,789.16	41.67	430.31	3,270.34	33.50	33.50	3,303.84
Profit for the year	-	573.08	-	-	573.08	-	-	573.08
Other comprehensive income/(loss) for the year[3]	-	6.02	-	-	6.02	(41.61)	(41.61)	(35.59)
Total comprehensive income/(loss) for the year	-	579.10	-	-	579.10	(41.61)	(41.61)	537.49
Transferred from Retained Earnings to Debenture Redemption Reserve	-	(28.38)	28.38	-	-	-	-	-
Balance as on March 31, 2019	9.20	3,339.88	70.05	430.31	3,849.44	(8.11)	(8.11)	3,841.33

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. During the year, the Company has transferred a proportionate amount from Retained Earnings to Debenture Redemption Reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures.

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

Accompanying notes 1 to 49 are an integral part of 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 Raj Agrawal
Partner
Membership No. 82028

Place: Gurugram
Date: May 02, 2019

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302

Vikas Sharma
Chief Executive Officer & Director
DIN: 00761202

Rohit Soni
Chief Financial Officer

Vinod Mathur
Company Secretary

Place: New Delhi

Bharat Aluminium Company Limited
Notes to the Ind AS financial statements for the year ended March 31, 2019

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 and a coal mine at Chotia in Chhattisgarh. 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 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.

(ii) These financial statements were approved for issue by the Board of Directors on May 02, 2019.

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

(iv) These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest Crore with two decimals.

b) Reclassification/Restatement

(i) The Company has revised the presentation of forward premium relating to derivative instruments to present it along with the mark-to-market gain/loss on these instruments, as these more appropriately reflect the substance of the forward premiums on derivative transactions. As a result of the change, forward premium expense amounting to Rs. 30.92 Crore (year ended March 31, 2019: Rs. 55.54 Crore) has been reclassified from 'Finance cost' to 'other expenses' for the comparative year ended March 31, 2018. The net cash inflow from operating activities in the cash flow statement remains unchanged.

(ii) The classification of export incentives from government has also been revised to present it under 'other operating income', as the revised classification is more appropriate. As a result of the change, export incentives amounting to Rs. 50.89 Crore has been reclassified from 'revenue' to 'other operating income' for the comparative year ended March 31, 2018.

c) Basis of measurement

The Ind AS 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 at the end of each reporting period as explained in the accounting policies below.

3. APPLICATION OF NEW STANDARDS AND AMENDMENTS

a) The Company has adopted with effect from April 1, 2018, the following new standards and amendments:

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(i) Ind AS 115: Revenue from contracts with customers

The Company has adopted Ind AS 115 Revenue from contracts with Customers with effect from April 1, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most of the current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. As per the Company's current revenue recognition practices, transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognised reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Under this standard, services provided post transfer of control of goods are treated as separate performance obligation and requires proportionate revenue to be deferred along with associated costs and to be recognized over the period of service. The Company provides shipping and insurances services after the date of transfer of control of goods and therefore has identified it as a separate performance obligation. As per the result of evaluation of contracts of the relevant revenue streams, it is concluded that the impact of this change is immaterial to the Company and hence no accounting changes have been done.

The Company has products which are provisionally priced at the date revenue is recognised. Revenue in respect of such contracts are 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 of goods, subsequent movements in provisional pricing are accounted for in accordance with Ind AS 109 "Financial Instruments" rather than Ind AS 115 and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments i.e. the consideration received post transfer of control has been included in total revenue from operations on the face of the Statement of Profit and loss. The accounting for revenue under Ind AS 115 does not, therefore, represent a substantive change from the Company's previous practice for recognising revenue from sales to customers.

The Company has adopted the modified transitional approach as permitted by the standard under which the comparative financial information is not restated. The accounting changes required by the standard are not having material effect on the Company's financial statements and no transitional adjustment is recognised in retained earnings as at April 1, 2018. Additional disclosures as required by Ind AS 115 have been included in these financial statements.

Prior period accounting policy: Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes, goods and service tax and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT)/ goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, these are excluded from revenue.

Revenue from sales is recognized when all significant risks and rewards of ownership of the goods sold are transferred to the customer which generally coincides with delivery. 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, when shipped. 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.

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Revenue from sale of power is recognized when delivered and measured based on rates as per bilateral contractual/collective agreements with buyers and at rate arrived at based on the principles laid down under the relevant power purchase agreements/tariff/regulations in vogue, as applicable.

Export benefits are accounted on recognition of export sales. Dividend income is recognized when the right to receive payment is established. Interest income is recognized using effective rate of interest method.

b) Standards issued but not yet effective:

The following standard have been issued but are not yet effective up to the date of issuance of the Company's Financial Statements. Except specifically disclosed below, the Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- **Ind AS 116: Leases**

Ind AS 116, Leases, replaces the existing standard on accounting for leases, Ind AS 17 with effect from April 1, 2019. This standard introduces a single lessee accounting model and requires a lessee to recognize a 'right of use asset' (ROU) and a corresponding 'lease liability' for all leases with the exception of short-term (under 12 months) and low-value leases. Lease costs will be recognised in the statement of profit and loss over the lease term in the form of depreciation on the ROU asset and finance charges representing the unwinding of the discount on the lease liability. In contrast, the accounting requirements for lessors remain largely unchanged.

The Company acts as a lessee in lease arrangements mainly involving office premises and other properties. The Company has elected to apply the modified retrospective approach on transition, and accordingly the comparative figures will not be restated. For contracts in place at this date, the Company will continue to apply its existing definition of leases under current accounting standards ("grandfathering"), instead of reassessing whether existing contracts are or contain a lease at the date of application of the new standard. Further, as permitted by Ind AS 116, the Company will not bring leases of low value assets or short-term leases with 12 or fewer months remaining on to balance sheet.
Transition to Ind AS 116 is not expected to have a material effect on the Company's Financial Statements.

- **Amendments to standards**

The following amendments are applicable to the Company from April 01, 2019. The impacts of these are currently expected to be immaterial:

Reference	Name/Brief
Ind AS 19	Employee benefits- Plan amendment, Curtailment or Settlement
Ind AS 109	Financial Instruments - Prepayment Features with Negative Compensation
Ind AS 12	Income Taxes - Uncertainty over Income Tax Treatments

4. SIGNIFICANT ACCOUNTING POLICIES

The Company has applied following accounting policies in these Ind AS Financial Statements.

a) Revenue recognition

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

The Company's revenue from contracts with customers comprises main streams being the sale of aluminium and power. Revenue from contracts with customers is recognised when control of the goods

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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 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 of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments i.e. the consideration received 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 when delivered and measured based on rates as per bilateral contractual agreements with buyers and at a rate arrived at based on the principles laid down under the relevant power purchase agreements/tariff/regulations in vogue, as applicable.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs 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 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 (or an amount of consideration is due) 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 made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

- **Export benefits**

Export benefits are accounted on recognition of export sales.

- **Interest Income**

Interest income is recognized 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

- **Dividend Income**

Dividend income is recognized 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.

b) Property, Plant and Equipment

(i) Property, plant and equipment

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The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2015.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to its working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated 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 derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress 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 are capitalized when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

(iii) Depreciation

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful life (determined by the management based on technical estimates), as follows:
The estimated useful lives of assets are as follows:

- Buildings 30-60 years
- Plant and equipments 15-40 years
- Furniture and fixtures 5-10 years
- Vehicles 8-10 years
- Office equipments 5 years
- Railway sidings 15 years
- Pot relining cost 4- 5 years

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- Individual items of assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit 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.

Expenditure related to Development of Mines are amortized on the basis of production, proportional to mineral resources expected to be ultimately economically recoverable.
When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.
In the previous year, the Company had changed its method of depreciation from Written down value method to Straight line method with effect from April 1, 2017 and had recognized pot relining expense as a separate component of aluminium smelter plant. The details in this regard are provided in note 5 to the financial statements.

c) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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 recognized in the statement of profit and loss when the asset is derecognized.

d) 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.

Financial assets

Recognition and subsequent measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and 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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
Subsequent measurement of financial assets is described below -

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Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

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

Debt instrument at 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 FVTOCI, is classified as at FVTPL.
In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI 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 designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Financial Assets - Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its 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.

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 financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and 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. The application of simplified approach does not require the Company to track changes in

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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 that 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, 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 (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- **Financial assets measured as at amortized cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- **Debt instruments measured at FVTPL:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the statement of Profit and Loss.

- **Debt instruments measured at FVTOCI:** 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.

Financial liabilities - Recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized 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:

• Financial liabilities at fair value through statement of profit and loss

Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of

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profit and 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 recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit and 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 statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized 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 & Borrowings and Trade and other payables)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

• Buyers' Credit/Suppliers' Credit

The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials and project materials. The 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 materials). Where these arrangements are for raw materials with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognized as operational buyers' credit/suppliers' credit (under Trade payables). Where these arrangements are for project materials with a maturity 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 recognized in the finance cost.

Financial liabilities - Derecognition

A financial liability is derecognized 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 recognized in the statement of profit and loss.

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 recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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e) **Derivative financial instruments and hedge accounting**

I. **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, futures and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognized 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 recognized in other comprehensive income and later reclassified to statement of profit and loss when the hedge item affects profit and 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 recognized asset or liability or an unrecognized 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 recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized 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 and the risk management objective and strategy for undertaking the hedge. 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 entity 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 recognized 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.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in statement of profit and loss. When an unrecognized 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 recognized as an asset or liability with a corresponding gain or loss recognized 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.

(ii) Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

Amounts recognized as OCI are transferred to statement of profit and loss when the hedged transaction affects statement of profit and loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or

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non-financial liability, the amounts recognized as 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 recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

II. 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 the statement of profit and loss, unless designated as effective hedging instruments.

f) <u>Cash and cash equivalents</u>

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, 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.

g) <u>Borrowing Costs</u>

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 i.e. when they are capable of commercial production. 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 project, the income generated from such short-term investments is deducted from the total capitalized borrowing cost. 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 activities that are necessary to make the asset ready for their intended use are complete or when delay occurs outside of the normal course of business.

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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).

h) 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. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

i) Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

j) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.

Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
Obsolete inventories are identified and written down to net realisable value.

k) <u>Taxation</u>

Tax expense represents the sum of current tax and deferred tax.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognized for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

l) <u>Employee benefit schemes</u>

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(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. 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.

m) Provision for liabilities and charges, 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 to the Company 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 the 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.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. 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 is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

n) Foreign currency transactions

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency 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.

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All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

The Company has applied paragraph 46A of AS 11 under Indian 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 recognized 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. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.

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.

o) 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 and 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 and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

p) 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".

q) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

r) Research and development

Revenue expenditure towards research and development is charged to the statement of profit and loss in the year it is incurred. Capital expenditure on research and development related to property, plant and equipments is included in the cost of related property, plant and equipments.

s) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost increase.

t) **Use of Estimates and Judgments**

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. 47.

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5 **Property, Plant and Equipments**[4,5,6,7]

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 1, 2018	Additions/ adjustments	Deductions/ adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/ adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Tangible assets										
Land- freehold[1,2,3]	14.52	2.79	-	17.31	-	-	-	-	17.31	14.52
(Previous year)	5.00	9.52	-	14.52	-	-	-	-	14.52	5.00
Buildings[2]	2,021.62	43.21	1.32	2,063.51	769.76	52.17	1.19	820.74	1,242.77	1,251.86
(Previous year)	2,006.13	15.49	-	2,021.62	718.41	51.35	-	769.76	1,251.86	1,287.72
Plant and equipments	13,952.31	396.39	117.44	14,231.26	4,797.18	440.37	73.85	5,163.70	9,067.56	9,155.13
(Previous year)	13,134.72	998.20	180.61	13,952.31	4,595.09	361.10	159.01	4,797.18	9,155.13	8,539.63
Furniture and fixtures	23.52	1.40	1.56	23.36	19.44	0.83	1.50	18.77	4.59	4.08
(Previous year)	23.11	0.47	0.06	23.52	18.67	0.79	0.02	19.44	4.08	4.44
Vehicles	29.40	0.44	2.25	27.59	17.72	0.70	1.93	16.49	11.10	11.68
(Previous year)	29.13	0.82	0.55	29.40	17.27	0.69	0.24	17.72	11.68	11.86
Office equipments	40.17	3.10	10.53	32.74	34.78	1.49	10.15	26.12	6.62	5.39
(Previous year)	37.97	2.25	0.05	40.17	33.75	1.07	0.04	34.78	5.39	4.22
Railway Sidings	201.06	27.68	-	228.74	52.60	11.57		64.17	164.57	148.46
(Previous year)	59.32	141.74	-	201.06	48.18	4.42		52.60	148.46	11.14
Mine reserve and development	99.56	0.29	-	99.85	2.09	3.82	-	5.91	93.94	97.47
(Previous year)	99.56	-	-	99.56	2.09	-	-	2.09	97.47	97.47
Total	**16,382.16**	**475.30**	**133.10**	**16,724.36**	**5,693.57**	**510.95**	**88.62**	**6,115.90**	**10,608.46**	**10,688.59**
Total -Previous Year	**15,394.94**	**1,168.49**	**181.27**	**16,382.16**	**5,433.46**	**419.42**	**159.31**	**5,693.57**	**10,688.59**	**9,961.48**

1. The land transferred to the Company by National Thermal Power Corporation Ltd. (NTPC) vide agreement dated June 20, 2002 comprising 171.44 acres land for the Company's 270 MW captive power plant and its allied facilities and 34.74 acres land for staff quarters of the said captive power plant is yet to be registered in favour of the Company due to non availability of title deeds from NTPC.
In the matter, arbitration was held between BALCO and NTPC and the Ld. Arbitrator passed the award in favour of BALCO. But with respect to transfer of title deeds of land, Ld. Arbitrator has directed that transfer 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.

2. 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.

3. The Division Bench of the Hon'ble High Court of Chhattisgarh has vide its order dated February 25, 2010, upheld that the Company is in legal possession of 1804.67 acres of Government land. Subsequent to the said order, the State Government has decided to issue the lease deed in favour of the Company after the issue 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 the Company 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 the Company. The matter is presently sub-judice before the Hon'ble Supreme Court.

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4. Exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset of Rs. 55.17 Crore (March 31, 2018: Rs. 30.73 Crore) capitalised, are grouped under property, plant and equipments and capital work in progress.

5. For lien/charge against property, plant and equipment refer note no. 20 and 23.

6. During the previous year, the company had changed the method of depreciation for its property, plant and equipments from Written Down Value basis to Straight Line basis.This had resulted in a lower depreciation charge and higher profit after tax for the year ended March 31, 2018 of Rs. 364.21 Crore. Also, the Company had reassessed the useful life of relining material for smelter plant from 40 years to 5 years and had identified the same as a separate component of smelter. Consequent to such change the Company had capitalised relining material of Rs. 94.63 Crore for the year ended March 31, 2018 and additional depreciation relating to such change in useful life pertaining to such relining material amounted to Rs. 88.32 Crore.

7. During the year, the Company has re-estimated the remaining useful lives of 270 MW captive power plant from 9 years to 2 years. Also, Alumina plant has been fully depreciated to bring down its resiual value to 5% of the acquisition cost. Accordingly, the Company has charged accelerated depreciation amounting to Rs. 25.00 Crore and Rs 17.79 Crore respectively on these assets.

6 Intangible Assets

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at April 1, 2018	Additions/ adjustments	Deductions/ adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/ adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Intangible assets (software)	8.38	0.64	-	9.02	3.58	2.39	-	5.97	3.05	4.80
Previous year	*16.26*	-	*7.88*	*8.38*	*9.07*	*2.39*	*7.88*	*3.58*	*4.80*	*7.19*

1 Software licenses are amortized over the license term.

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7 Financial assets - Non current : Trade receivables
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	237.72	57.49
Credit impaired	34.10	34.10
Impairment allowance	(34.10)	(34.10)
Total	237.72	57.49

1. Carrying value of trade receivable may be affected by the changes in the credit risk of counterparties as explained in note no 46.
2. Maturity profile is as per note no 46.
3. For lien/charge against trade receivable refer note nos. 20 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, 2018- Rs Nil). Nor any trade receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.
5. Also refer note nos. 28.3 and 28.4.

8 Financial assets - Non current : Loans
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans to employees	0.80	0.58
Total	0.80	0.58

1. For details of classification of financial assets and fair value hierarchy refer note no. 46.

9 Financial assets - Non Current : Others
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security deposits	27.74	27.68
Bank deposits[1]	8.19	5.81
Claims and other receivables[3]	12.30	-
Total	48.23	33.49

1. Deposits amounting to Rs. 8.19 Crore (March 31, 2018 : Rs. 5.81 Crore) placed for Chotia coal block mines closure plan.
2. For details of classification of financial assets and fair value hierarchy refer note no. 46.
3. Claims and other receivables represent unbilled revenue (contract assets). Unbilled revenue of Rs. 106.00 Crore as on March 31, 2018 was shown under "Financial assets- Current: Others". Refer note no. 17.

10 Other non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Leasehold land prepayments[1]	28.11	30.92
Capital advances	45.38	46.22
Claims and other receivables[2]	190.88	140.09
Security deposits	0.11	0.11
Total	264.48	217.34

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1. Leasehold land prepayments pertain to bauxite mines at Kawardha and Mainpat and it is amortised as per unit of production method.

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 Rs. 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 Rs. 53.67 Crore. (March 31, 2018: Rs. 53.67 Crore).

b. Insurance claims receivable on account of pot freezing Rs. 45.64 Crore.

c. Energy development cess levied by Government of Chhatisgarh Rs. 34.54 Crore (March 31, 2018: Rs. 34.54 Crore).

d. Claims recoverable from Madhya Pradesh Electricity Board (MPEB)/Chhattisgarh State Electricity Board (CSEB) amounting to Rs. 10.08 Crore (March 31,2018 : Rs. 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 Rs. 13.23 Crore (March 31, 2018: Rs. 13.23 Crore). The net amount recoverable/payable can be ascertained on settlement of the disputes.

11 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Raw materials	357.35	180.06
Goods-in transit	224.04	329.05
	581.39	**509.11**
(b) Fuel stock	230.46	38.71
Goods-in transit	106.52	16.82
	336.98	**55.53**
(c) Work-in-progress[1,2]	249.38	277.19
Goods-in transit	45.89	22.71
	295.27	**299.90**
(d) Finished goods[2]		
Aluminium ingot, billets, slabs, bus bar, alloy ingots	28.10	9.71
Wire rods	8.24	7.37
Rolled products	1.30	1.25
	37.64	**18.33**
(e) By-product[2]	**1.30**	**2.71**
(f) Stores and spares[3]	115.67	131.11
Goods-in transit	2.26	4.39
	117.93	**135.50**
Total	**1,370.51**	**1,021.08**

1. All work-in-progress pertains to manufacturing of Aluminium products.

2. Inventory held at net realizable value amounted to Rs. 164.89 Crore (March 31, 2018: Rs. 2.71 Crore). The write down on inventories amounted to Rs. 4.78 Crore for the year (March 31, 2018: NIL).

3. The provision in respect of excess, slow-moving, damaged, or obsolete inventories of stores and spares lying in books on March 31,2019 and March 31, 2018 is Rs. 23.48 Crore and Rs. 22.57 Crore respectively.

4. 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. 20 and 23.

5. For mode of valuation for each class of inventories, refer note no. 4(j).

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12 Financial assets - Current : Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in mutual funds at Fair value through profit and loss (unquoted)		
HDFC Liquid Fund- Growth		
(29,246 units at par value of Rs 1000 each)	-	10.01
Reliance Liquid Fund- Treasury Plan- Intitutional Plan- Growth		
(23,621 units at par value of Rs 1000 each)	-	10.02
Birla Sun Life Cash Plus - Institutional Premium Plan - Growth		
(358,569 units at par value of Rs 100 each)	-	10.01
ICICI Liquid Super IP- Growth		
(389,560 units at par value of Rs 100 each)	-	10.02
SBI Premier Liquid Fund- Reg - Growth		
(36,767 units at par value of Rs 1000 each)	-	10.02
SBI Liquid Fund- Reg - Growth		
(68,379 units at par value of Rs 1000 each)	20.03	-
HDFC Liquid Fund - Growth		
(54,428 units at par value of Rs 1000 each)	20.02	-
ABSL Liquid Fund- Growth		
(6,66,424 units at par value of Rs 100 each)	20.02	-
Pru ICICI Liquid Fund- Growth		
(7,24,304 units at par value of Rs 100 each)	20.02	-
Reliance Liquid Fund- Growth		
(43,887 units at par value of Rs 1000 each)	20.02	-
Total	**100.11**	**50.08**

1. For determination of fair value refer note no. 46.

13 Financial Assets- Current : Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	496.92	355.62
Credit impaired	0.22	0.22
Impairment allowance	(0.22)	(0.22)
Total	**496.92**	**355.62**

1. Carrying value of trade receivables as at March 31, 2018 included non letter of credit backed discounted power debtors amounting to Rs. 148.50 Crore and bank guarantee backed discounted aluminium debtors Rs. 21.59 Crore considered as borrowing as such discounting are with recourse to the Company. Also refer note no 23.2.

2.Carrying value of trade receivables may be affected by the changes in the credit risk of counterparties as explained in note no 46.

3. Maturity profile is as per note no 46.

4. For lien/charge against trade receivables refer note nos. 20 and 23.

5. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.(March 31,2018 : Nil). For amount due from related parties, refer note no. 45.

6. Also refer note no 28.3.

14 Financial Assets- Current : Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks[1]	335.74	3.48
Cash on hand	0.37	0.34
Total	**336.11**	**3.82**

1. Includes remittance in transit amounting to Rs. 309.24 Crore.

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15 Financial Assets- Current : Other Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with original maturity greater than 3 months but less than 12 months[1]	0.13	0.12
Total	**0.13**	**0.12**

1. Fixed deposit issued in favour of a third party in the ordinary course of business.

16 Financial assets - Current : Loans
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans to employees	1.43	1.87
Total	**1.43**	**1.87**

17 Financial Assets- Current : Others
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Interest receivables	1.83	1.83
Security deposits	1.99	0.58
Advances to related parties (refer note no. 45)	0.51	0.45
Claims and other receivables[9.3, 28.3]	5.01	125.14
Total	**9.34**	**128.00**

1. For details of classification of financial assets and fair value hierarchy refer note no. 46

18 Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Advances to suppliers	241.84	276.21
Prepaid expenses	16.10	8.76
Claims and other receivables	-	0.63
Balances with statutory/Government authorities	107.34	77.00
Export incentives receivable	41.71	50.15
Leasehold land prepayments[1]	7.19	5.03
Total	**414.18**	**417.78**

1. Leasehold land prepayments pertain to bauxite mines at Kawardha and Mainpat and it is amortised as per unit of production method.

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19 Share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised Opening/Closing balance (equity shares of Rs 10 each)	500,000,000	500.00	500,000,000	500.00
Issued, subscribed and fully Paid up Opening/Closing balance (equity shares of Rs 10 each)	220,624,500	220.62	220,624,500	220.62
Total	**220,624,500**	**220.62**	**220,624,500**	**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, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning and end of the year	220,624,500	220.62	220,624,500	220.62

ii) Details of shares held by each shareholder holding more than 5% shares

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	% of Holding	No. of shares held	% of Holding
a) Vedanta Limited [1] and their nominees	112,518,495	51%	112,518,495	51%
b) Government of India- - President of India	108,106,005	49%	108,106,005	49%
Total	**220,624,500**	**100%**	**220,624,500**	**100%**

1) Vedanta Limited, Holding Company (Formerly known as Sesa Sterlite Limited) 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.

iii) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs.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.

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20 Financial liabilities - Non current : Borrowings
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Redeemable non convertible debentures[1]	499.73	499.42
Term loans from banks[2]	2,156.51	2,447.91
External commercial borrowings[3,4,5]	563.23	616.90
Foreign currency term loan[6]	205.86	194.10
Total	**3,425.33**	**3,758.33**

Terms and conditions of long-term borrowings	As at March 31, 2019	As at March 31, 2018
1. 2,000 8.00% Non Convertible Debentures of Rs 10 Lacs each redeemable at par in single instalment on June 30, 2020 and 3,000 7.90% Non Convertible Debentures of Rs 10 Lacs each redeemable at par in single installment on July 31,2020. Secured by first pari passu charge over Property, Plant & Equipment (excluding coal block) of the Company.	499.73	499.42
2. Rupee term loans from various banks secured by first pari passu charge on moveable property, plant and equipments (excluding coal block) of the Company. Principal Amount is repayable in 28 quarterly instalments from March 2017 (except for State Bank of India (Earlier-State Bank of Patiala) starting from April 2017 and State Bank of India (Earlier-State Bank of Travancore) from June 2017). Term loan of Rs. 1,000 Crore taken from Axis Bank and Sydicate bank is payable in 34 quarterly instalments each till 2025-26.	2,156.51	2,447.91

Lender	Principal loan amount	Interest rate	Effective interest rate
State Bank of India (Earlier-State Bank of Travancore)	100 Crore.(March 31,2018-100 Crore)	MCLR plus 35 bps (PY: MCLR plus 35 bps)	8.60% (PY 8.35%)
UCO Bank	300 Crore.(March 31,2018-299 Crore)	MCLR plus 5 bps (PY: MCLR plus 5 bps)	8.50% (PY 8.30%)
Dena Bank	500 Crore (March 31,2018-500 Crore)	1 year MCLR (PY: MCLR plus 50 bps)	8.6% (PY 8.4%)
State Bank of India (Earlier-State Bank of Hyderabad)	300 Crore (March 31,2018-300 Crore)	MCLR plus 35 bps (PY: MCLR plus 35 bps)	8.85% (PY 8.35%)
State Bank of India (Earlier-State Bank of Patiala)	200 Crore.(March 31,2018-200 Crore)	MCLR plus 35 bps (PY: MCLR plus 35 bps)	8.85% (PY 8.35%)
South Indian Bank	150 Crore.(March 31,2018-150 Crore)	MCLR rate plus 25 Bps (PY: MCLR plus 25 bps)	8.90% (PY 8.40%)
Axis Bank	600 Crore.(March 31,2018-600 Crore)	MCLR rate plus 15 Bps (PY: Base rate plus 15 bps)	8.75% (PY 8.40%)
Syndicate Bank	400 Crore.(March 31,2018-400 Crore)	1 Year MCLR rate (PY: Base rate plus 15 bps)	8.80% (PY 8.40%)

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3. External commercial borrowings from ICICI Bank Dubai of USD 20 Million, ICICI Bank IBU Gandhinagar Branch 6 Million, Union Bank of India London Branch 9 Million and 15 Million from Union Bank HongKong Branch is repayable in three instalments: first instalment of USD 13 Million on August 19, 2019, second instalment of USD 14 Million on August 19, 2020 and final instalment of USD 23 Million on August 19, 2021. The rate of interest payable on this facility is 3 month LIBOR plus 240 basis points(March 31,2018-3 month LIBOR plus 240 basis points).The facility is secured by first pari passu charge on all movable project assets related to 1200 MW power plant and 3.25 LTPA Aluminium Smelter located at korba both present and future along with secured lenders.	254.55	325.22
4. External commercial borrowings from Canara Bank London Branch of USD 10 million and USD 5 million from Syndicate Bank London Branch is repayable in three equal installments in 4th, 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 31,2018-3 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 along with secured lenders.	102.82	97.58
5. External commercial borrowings from Kotak Bank Limited IBU GIFT City Branch of USD 15 million and USD 15 million from AFR Asia Mauritius repayable in three equal installments in 4th, 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 31,2018-3 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 along with secured lenders.	205.86	194.10
6. Foreign Currency Term Loan from Export Import Bank of India of USD 30 million is repayable in three equal installments in 4th, 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 31,2018-3 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 along with secured lenders.	205.86	194.10
	3,425.33	**3,758.33**

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. 25.

20A 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, 2017	2180.52	2,744.29	4,924.81
Net cash inflow/(outflow)	(93.60)	42.30	(51.30)
Other non cash changes	(930.72)	971.74	41.02
As at April 1, 2018	**1,156.20**	**3,758.33**	**4,914.53**
Net cash inflow/(outflow)	(602.09)	(51.00)	(653.09)
Other non cash changes	380.92	(333.00)	47.92
As at March 31, 2019	**884.03**	**3,374.33**	**4,309.36**

21 Non current Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits[1]	111.21	114.35
Provision for site restoration and rehabilitation[2]	18.05	17.15
Total	**129.26**	**131.50**

1. Also refer note no. 37 and 42.

2. Provision for site restoration and rehabilitation[1]	As at March 31, 2019	As at March 31, 2018
Opening balance	17.15	15.95
Addition made during the year	0.90	1.20
Closing balance	**18.05**	**17.15**

1. The same pertains to Chotia coal block of the Company.

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22 Other non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Government grants[1]	748.66	769.24
Total	**748.66**	**769.24**

1. Government grants have been recceived for the import of certain items of property,plant and equipments , under export promotion capital goods scheme of Govenment of India. The Company has certain export obligations against such benefits availed which the Company will fulfil within the required time period under the scheme. For contingencies attached to these grants refer note no. 43.

23 Financial liabilities - Current: Borrowings
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Secured</u>		
Loans repayable on demand from banks[1]	82.61	0.67
Working capital loan from banks[2]	-	170.09
	82.61	**170.76**
<u>Unsecured</u>		
Commercial papers[3]	420.50	934.44
	420.50	**934.44**
Total	**503.11**	**1,105.20**

Terms and conditions of Short-term borrowings	As at March 31, 2019	As at March 31, 2018
1. Loans repayable on demand from Banks: 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 movables, 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 8.45%. (March 31, 2018 : 7.90%).	82.61	0.67
2. Bill discounting with recourse, secured by way of discounted bills receivables/ book debts. Weighted average interest on Bills discounting is 7.90%(March 31, 2018: 7.90%).	-	170.09
3. Commercial Papers issued to Asset Management Companies for a period less than 90 days at average rate of interest of 7.78% (March 31, 2018 : 7.50%,) Maximum amount outstanding during the year was Rs. 1,495 Crore (March 31, 2018 : Rs. 1,250 Crore).	420.50	934.44
Total	**503.11**	**1,105.20**

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24 Financial liabilities - Current : Trade payables
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Operational buyers credit-secured[1]	138.00	417.82
Operational buyers credit-unsecured[2]	543.33	334.70
Dues to related parties (refer note 45)	76.69	56.94
Other trade payables	830.66	996.22
Suppliers credit-secured[1]	331.02	-
Suppliers credit-unsecured[2]	732.70	-
Total	**2,652.40**	**1,805.68**

1. Operational buyers' credit/suppliers' credit from ICICI Bank, YES Bank (upto Rs. 300 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 movables, 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.

2. Unsecured buyers' credit/suppliers' credit is from HDFC Bank, Yes Bank (beyond Rs. 300 Crore), IndusInd Bank and Federal Bank.

3. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2019 and March 31, 2018. This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company . Information in terms of Section 22 of Micro, Small and Medium enterprises Development Act, 2006 are given below:

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	38.21	6.35
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(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	-	-

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25 Financial liabilities- Current: Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowings[1,2]	380.92	51.00
Interest accrued but not due on borrowings	43.09	43.66
Capital creditors	309.70	608.59
Dues to related parties (refer note no. 45)	85.62	46.20
Deposits from vendors and others	33.77	41.50
Employee Liabilities	57.47	54.10
Other liabilities[3]	0.17	1.25
Total[4]	**910.74**	**846.30**

1. Current maturities of long term borrowings	As at March 31, 2019	As at March 31, 2018
External commercial borrowings	89.92	-
Term loan	291.00	51.00
Total	**380.92**	**51.00**

2. Interest, security and payment terms as detailed in note no. 20.

3. Other liabilities represents mark to market liability balance of closing derivative as on March 31,2019-Rs 0.17 Crore (March 31,2018: Rs 1.25 Crore).

4. For details of classification of financial liabilities and fair value hierarchy refer note no. 46.

26 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Government grants (refer note no. 22(1))	20.57	20.56
Statutory liabilities	1,211.89	955.36
Advance from customers[1]	412.25	151.32
Total	**1,644.71**	**1,127.24**

1. Advance from customers are contract liabilities and include amounts received under long term supply agreements. The advance payment plus a fixed rate of return/ 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. The increase in contract liabilities is due to additional amounts received during the year.

27 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	65.17	52.19
Provision for disputed cases and claims[1]	52.12	50.91
Total	**117.29**	**103.10**

1. Provision for disputed cases and claims	As at March 31, 2019	As at March 31, 2018
Opening balance	50.91	49.58
Addition made during the year	1.21	1.33
Closing balance[1]	**52.12**	**50.91**

1. Represents provision for disputed case with Madhya Pradesh Electricity Board (MPEB)/Chhattisgarh State Electricity Board (CSEB) for electricity duty/surcharge.

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28 Revenue from sale of products

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Sale of products (net of excise duty)	10,049.12	8,710.69
Add: Excise duty	-	169.28
Total sale of products (Gross of excise duty)	**10,049.12**	**8,879.97**

1. Sale of products included excise duty collected from customers of Rs 169.28 Crore for FY 2017-18. With effect from July 01, 2017, Goods and Service Tax ('GST') has been implemented which has replaced several indirect taxes including excise duty. While Ind-AS required excise duty to be included while computing revenues, GST is required to be excluded from revenue computation. Accordingly "Revenue from operations (Net of excise duty)" has been additionally disclosed to enhance comparability of financial information.

2. Certain of the Company's products may be provisionally priced at the date revenue is recognised. The change in value of those products are also included in Sale of products above amounting to Rs. 38.81 Crore in 2018-19.

3. Revenue for the year ended March 31, 2019 and March 31, 2018 include Rs. 20.64 crore and Rs. 168.03 Crore respectively on account of differential energy charges for supply of power to customers under long term and medium term power supply agreements pursuant to amendments in escalation index of domestic coal by Central Electricity Regulatory Commission (CERC) for the period October,2012 to September,2014.

4. Revenue for the year ended March 31 , 2018 included Rs. 105.96 Crore on account of differential duties and taxes recognized by the Company pursuant to Long term and medium term power sale agreements with its customers in line with a CERC order of December, 2017 in case of another power supplier.

5. Unsatisfied performance obligations as a percentage of total revenue is negligible and hence not disclosed separately.

As permitted under the transitional provisions in Ind AS 115, the transaction price allocated to (partially) unsatisfied performance obligations as of March 31, 2018 is not disclosed.

All other contracts are for periods of one year or less or are billed based on time incurred. The Company has applied the practical expedient, as permitted under Ind AS 115, and hence the transaction price allocated to these unsatisfied contracts is not disclosed.

6. Disclosures related to contract assets and contract liabilities have been given below the respective contract assets and contract liabilities.

29 Other operating income

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
(i) Export incentives	62.53	50.89
(ii) Scrap sales	34.94	19.53
(iii) Miscellaneous income	2.41	3.34
Total	**99.88**	**73.76**

30 Other income

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Fair value gain on mark to market of current investments	0.03	0.06
Interest Income from financial assets at amortised cost		
(i) Bank deposits	0.39	1.63
(ii) Others	26.97	16.21
Net gain on sale of current investments measured at fair value through profit or loss	0.41	0.55
Other non-operating income[1]	346.17	-
Rent	3.82	3.85
Unclaimed liabilities written back (net)	2.13	0.76
Deferred Government grant income[2]	20.57	20.51
Total	**400.49**	**43.57**

1. During the year, the Company has entered into a settlement agreement with one of its EPC contractors against its various claims on the contractor. Basis such agreement, the EPC contractor has agreed to reimburse a part of additional operational costs incurred by the Company in the earlier years as full and final settlement. Accordingly, the Company has written back the excess liability of Rs. 346.17 Crore in 'other income' for the year.

2. Amortisation of Government grants basis the useful life of related assets. For nature of Government grant refer note no. 22(1).

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31 Cost of materials consumed

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Alumina	3,345.54	2,243.26
Coal Tar Pitch	248.74	230.65
Calcinified Petroleum.Coke	675.97	663.48
Aluminium fluoride	115.78	92.18
Silicon	34.89	16.26
Others	59.88	20.14
Less: Trial Run consumption capitalized (refer note no. 40)	-	(91.59)
Total (also refer note no. 39 (b))	**4,480.80**	**3,174.38**

32 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Opening inventories		
Finished goods	18.33	20.77
Work in progress	299.90	228.11
By products	2.71	1.02
	320.94	**249.90**
Closing inventories		
Finished goods	37.64	18.33
Work in progress	295.27	299.90
By products	1.30	2.71
	334.21	**320.94**
Total	**(13.27)**	**(71.04)**

33 Employee benefits expense

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
(a) Salaries and wages (refer note no. 45 for amount paid to related parties)	335.22	289.44
(b) Contributions to provident and other funds (refer note no. 42)	24.47	23.46
(c) Staff welfare expenses	27.18	18.35
(d) Long term incentive plan (LTIP)[1]	9.83	10.56
Total	**396.70**	**341.81**

1. Long term incentive plan (LTIP)

The Company offers equity-based award plans to its employees, officers and directors through its parent, Vedanta Resources Plc (the "Parent"), [The Vedanta Resources Long-Term Incentive Plan ("LTIP"), Employee Share Ownership Plan ("ESOP") and Performance Share Plan ("PSP")] and Vedanta Limited [Vedanta Limited - Employee Stock Option Scheme ("Vedanta Limited- ESOS")].

During the year, Vedanta Limited - ESOS is the primary arrangement under which share- based incentives are provided to the defined management group, previously these awards were granted on the similar basis under LTIP, PSP and ESOP schemes introduced by Vedanta Resources Plc. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the individual fixed salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP, ESOP, PSP and is that of Parent's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the competitor companies as defined in the scheme from the date of grant. Initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years until 2012-13. Additionally, PSP and ESOS vesting conditions includes continued employment with the Group till the date of vesting. Initial awards under the PSP were granted in November 2014 and subsequently in December 2015 and under the ESOS in December 2016, September 2017 and November 2018. The awards are indexed to and settled by Vedanta Resources Plc shares or Vedanta Ltd shares as defined in the schemes. The awards have a fixed exercise price of 10 US cents per share in case of Vedanta Resources Plc and Re.1 per share in case of Vedanta Limited, the performance period of each award is three years and are exercisable within a period of six months from the date of vesting beyond which the option lapses.

The Parent has also granted awards under the ESOP scheme that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years. Under these schemes the Parent is obligated to issue the shares.
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 (net of capitalisation Nil , March 31, 2018: Rs. 0.08 Crore) for the year ended March 31, 2019 is Rs. 9.83 Crore (March 31, 2018 : Rs. 10.56 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

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34 Finance cost

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Interest expense	500.34	440.76
Other borrowing cost	4.09	18.35
Net interest on defined benefit arrangement	10.16	7.76
Net loss on foreign currency transactions and translation (considered as finance cost)	2.62	31.57
Total	**517.21**	**498.44**

35 Depreciation and amortisation expense

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Tangible assets (Refer note no. 5)	510.95	419.42
Intangible assets (Refer note no. 6)	2.39	2.39
Total	**513.34**	**421.81**

1. Also refer note nos. 5.6 and 5.7

36 Other expenses

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Machinery repairs	239.28	184.18
Building repairs	5.85	6.03
Other repairs	51.15	42.01
Conversion charges	220.78	427.82
Inward Freight	96.19	256.47
Excise duty[1]	-	(2.62)
Royalty and taxes	13.05	23.74
Other manufacturing and operating expenses	123.38	115.36
Leasehold prepayments amortisation	2.15	4.66
Rent	1.72	1.24
Rates and taxes	13.11	15.54
Insurance	14.30	13.30
Conveyance and travelling expenses	17.14	12.95
Loss on sale of property, plant and equipments	40.28	3.74
Directors' sitting fees	0.40	0.11
Payments to auditors[2]	1.25	1.12
Provision for doubtful debts	-	34.15
Net loss on foreign currency transactions and translation (other than considered as finance cost	29.67	5.06
Consultants and professional fees	44.32	38.76
Contribution to Cancer Research Hospital (VMRF)[3,4]	99.80	83.32
Corporate Social Responsibility Expenses [4]	4.77	3.57
Advertisement and publicity	6.42	6.12
Carriage outwards	126.47	81.60
Packing expenses	36.06	26.62
Other selling expenses	10.32	2.92
Power scheduling charges	28.25	22.16
Others[5]	83.28	42.21
Total	**1,309.39**	**1,452.14**

1. Excise duty	For the year ended	
	March 31, 2019	March 31, 2018
Excise duty on finished goods		
Difference between closing and opening stock	-	(2.18)
Shortages, etc.	-	(0.44)
Total	-	**(2.62)**

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2. Payments to auditors	For the year ended	
	March 31, 2019	March 31, 2018
As Auditor - for statutory audit and quarterly reviews	1.16	1.05
For other services	0.04	0.02
Reimbursement of expenses	0.05	0.05
Total	**1.25**	**1.12**

3. The Company has made contribution towards Cancer Research Hospital being set up by Vedanta Medical Research Foundation (VMRF - related party) at Raipur (Chhattisgarh) as a part of its Corporate Social Responsibility initiative in healthcare. (Also refer note no. 45).

4. Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company, according to which, the Company is required to spend NIL (March 31,2018: NIL) towards corporate social responsibility (CSR). The Company has incurred and paid Rs. 104.57 Crore during the year (March 31,2018 : Rs. 86.89 Crore) including Rs. 99.80 Crore (March 31,2018: Rs. 83.32 Crore) to a related party as above in note no. 36(3) , on account of expenditure towards the same. No expenses have been incurred in construction of a capital asset under CSR during the current year and the previous year.

5. Includes provision for compensation for excess bauxite mining amounting to Rs. 34.00 Crore and provision against advances amounting to Rs 2.32 Crore.

37 Exceptional item

As per the notification dated March 29, 2018 following the changes in the Payment of Gratuity Act which had empowered the Central Government to fix the ceiling of the retirement benefit through an executive order, the Government doubled the limit of Gratuity in private sector to Rs. 20 Lacs pursuant to which there was an additional charge of Rs. 29.70 Crore for the period upto March 31,2017 which has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2018.

38 Earnings per share (EPS)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Net profit/(loss) after tax for the year before exceptional item	**573.08**	**201.38**
Exceptional items (Rs in crores)	-	29.70
Net profit/(loss) after taxation for the year	**573.08**	**171.68**
Weighted number of ordinary shares for basic EPS	220,624,500.00	220,624,500.00
Nominal value of ordinary share (in Rs. per share)	10.00	10.00
Basic and Diluted earnings for ordinary shares (in Rs. per share)	**25.98**	**7.78**

39 a) During the year, Chhattisgarh State Electricity Regulatory Commission has issued Order dated January 01, 2019 agreeing to the Company's application to convert 300 MW Independent Power Plant to Captive Power Plant with effect from April 1, 2017 on the basis of ownership and the utilisation of power for captive purposes. Consequently, the excess liability towards cross subsidy charges of Rs. 98.60 Crore for the year 2017-18, has been reversed and credited to "Power and fuel charges" for the year.

b) For the year ended March 31, 2018 , Cost of material consumed, Power and Fuel expenses and Stores and Spares consumption have increased by Rs. 55.11 Crore, Rs. 8.06 Crore and Rs. 0.84 Crore respectively (including Rs. 50.90 Crore, Rs. 8.06 Crore and Rs. 0.84 Crore respectively pertaining to earlier years), pursuant to Supreme Court judgement of October, 2017 on applicability of entry tax on imported goods.

40 Property, plant and equipments and Capital work-in-progress includes following expenditure (net) capitalised during the year :

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Cost of materials consumed	-	91.59
Power and fuel	-	54.14
Consumption of stores and spare parts	-	1.17
Machinery repairs	-	1.81
Employee benefits expense	-	9.02
Net (gain) / loss on foreign currency transactions and translation	-	18.46
Other Expenses	-	0.08
	-	**176.27**
Income		
Revenue from trial run operations	-	194.79
	-	**194.79**
Expenditure (net)	-	**(18.52)**

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41 Tax expense

(a) Tax charge/(credit) recognised in profit or loss

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Current tax:		
Current tax on profit for the year	11.71	-
Total current tax (a):	**11.71**	-
Deferred tax:		
Origination and reversal of temporary differences	158.70	-
MAT credit entitlement	(11.71)	
Credit in respect of deferred tax for earlier years	(527.59)	-
Total deferred tax (b):	**(380.60)**	-
Total tax credit (a+b):	**(368.89)**	-
Accounting profit before tax	**204.19**	-
Effective income tax rate	**-181%**	-

(b) A reconciliation of income tax expense applicable to accounting profits before tax 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, 2019	March 31, 2018
Accounting profit / (loss) before tax for the year ended	**204.19**	**171.68**
Statutory income tax rate (%)	34.944%	34.608%
Tax at Indian statutory income tax rate	**71.35**	**59.42**
Disallowable expenses	87.32	30.23
Tax holidays and similar exemptions	0.00	(26.67)
Change in deferred tax balances due to the change in Indian income tax rates from 34.608% to 34.944%	-	(5.98)
Charge/(credit) in respect of previous years*	-	(94.00)
Loss in respect of which deferred tax assets not recognised for the year	-	37.00
Recognition of deferred tax on brought forward tax losses	(527.56)	-
Tax charge/(credit) for the year	**(368.89)**	-

* Credit recognised to the extent of tax charge for the year.

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.

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(c) Deferred tax assets/liabilities

The Company has recognised deferred tax assets on unabsorbed depreciation and carry forward business losses based on reasonable evidence of future taxable profits.

Significant components of Deferred tax (assets) & liabilities recognized in Financial Statements

Particulars	April 1, 2018	Charged / (credited) to Statement of income	Charged / (credited) to OCI	March 31, 2019
Property, Plant and Equipment	722.41	194.58	-	916.99
Voluntary retirement scheme	(20.43)	13.51	-	(6.92)
Employee benefits	(52.99)	9.22	(11.69)	(55.46)
Fair valuation of Derivative	(48.38)	48.43	(4.36)	(4.31)
Unabsorbed depreciation/business loss*	(477.04)	(557.22)	-	(1,034.26)
Others 43(b) Adjustments	(123.57)	(77.41)	-	(200.98)
MAT credit entitlement	-	(11.71)	-	(11.71)
Total	-	**(380.60)**	**(16.05)**	**(396.65)**

Particulars	April 1, 2017	Charged / (credited) to Statement of income	Charged / (credited) to OCI	March 31, 2018
Property, Plant and Equipment	549.60	172.81	-	722.41
Voluntary retirement scheme	(22.34)	1.91	-	(20.43)
Employee benefits	(41.71)	(11.40)	0.12	(52.99)
Fair valuation of Derivative asset/liability	(23.64)	(43.33)	18.58	(48.39)
Unabsorbed depreciation/business loss*	(400.67)	(57.67)	(18.70)	(477.04)
Others 43(b) Adjustments	(61.24)	(62.32)	-	(123.56)
Total	-	-	-	-

*During the previous year, deferred tax assets on unabsorbed depreciation/business loss had been recognised to the extent of deferred tax liabilities on taxable temporary differences available. During the current year, deferred tax on entire unsorbed depreciation/business loss have been recognised based on reasonable evidence of future taxable profits.

Unused tax losses/ unused tax credits for which no deferred tax asset was recognized amounted to Rs. 1,700.00 Crore as at March 31, 2018. The unused tax losses represented unabsorbed depreciation which does not have expiry period.

The Company has unused Minimum Alternate Tax(MAT) credit amounting to Rs. 399.49 Crore as at March 31, 2019 and Rs. 399.49 Crore as at March 31, 2018. Such tax credits have not been recognised on the basis that recovery is not probable in the foreseeable future. Unrecognised MAT credit expires, if unutilized, based on the year of origination as follows:

Year of Expiry as on Financial year ending March 31, 2019	Amount
2022	103.56
2023	13.67
2024	52.05
2025	51.67
2026	103.50
2027	63.33
2028	8.12
2029	3.59
Total	**399.49**

During the year, the Company has made provision for MAT amounting to Rs. 11.71 Crore. The same has been recognised as MAT credit entitlement basis expected recovery of the same during the MAT credit period.

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42 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 Rs. 3.46 Crore (March 31, 2018: Rs. 3.39 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 Rs. 2.18 Crore (March 31, 2018: Rs. 2.15 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 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 profident 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, 2019 and March 31, 2018. 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 Rs 13.80 Crore (March 31, 2018: Rs 12.93 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 7.8% (March 31, 2018: 7.7%). Expected rate of return on plan assets is 8.65% (March 31, 2018: 8.75%).

The present value of obligation and fair value of plan assets of the trust are summarised below:

Particulars	March 31, 2019	March 31, 2018
Fair value of plan assets	569.33	495.72
Present value of defined benefit obligations	497.83	453.83
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, 2019	March 31, 2018
Government securities	55.53%	56.36%
Debentures/bonds	41.58%	41.20%
Equity	2.89%	2.44%

(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, 2019	March 31, 2018
Discount rate	7.8%	7.7%
Expected rate of increase in compensation level of covered employees	5% to 7%	5% to 7%
Medical inflation	5%	5%

Assumptions regarding mortality rates are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India. Assumptions regarding post retirement mortality are based on LIC a (96-98) ultimate.

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(All amounts are in INR Crore, unless otherwise stated)

(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 nos. 33 and 37).

(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 including 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 Acturial Valuation carried out on balance sheet date are as under:

Amount recognised in the balance sheet consists of:

Particulars	March 31, 2019		March 31, 2018	
	Gratuity	PRMB	Gratuity	PRMB
Present value of defined benefit obligations	99.53	31.99	104.23	27.78
Net liability arising from defined benefit obligations	**99.53**	**31.99**	**104.23**	**27.78**

Amounts recognised in statement of profit or loss in respect of defined benefit scheme are as follows:

Particulars	March 31, 2019		March 31, 2018	
	Gratuity	PRMB	Gratuity	PRMB
Current service cost	5.03	0.29	5.07	0.27
Past Service Cost (refer note no. 37)	-	-	29.70	-
Net Interest cost	8.03	2.13	5.78	1.98
Total charge to statement of profit or loss	**13.06**	**2.42**	**40.55**	**2.25**

Amounts recognised in the statement of comprehensive income are as follows:

Particulars	March 31, 2019		March 31, 2018	
	Gratuity	PRMB	Gratuity	PRMB
Re-measurement losses/(gains) arising from changes in financial assumptions	(0.72)	(0.40)	(0.69)	(0.18)
Re-measurement losses/(gains) arising from experience adjustments	2.85	3.94	(0.58)	1.09
Re measurement losses/(gains) of the net defined benefit liability	**2.13**	**3.54**	**(1.27)**	**0.91**

The movement during the year of the present value of the defined benefit obligation was as follows:

Particulars	March 31, 2019		March 31, 2018	
	Gratuity	PRMB	Gratuity	PRMB
Opening balance	104.23	27.78	76.00	26.09
Current service cost	5.03	0.29	5.07	0.27
Past Service Cost (refer note no. 37)	-	-	29.70	-
Benefits (paid)	(19.89)	(1.75)	(11.05)	(1.47)
Interest cost of scheme liabilities	8.03	2.13	5.78	1.98
Re-measurement losses/(gains) arising from changes in financial assumptions	(0.72)	(0.40)	(0.69)	(0.18)
Re-measurement losses /(gains) arising from experience adjustments	2.85	3.94	(0.58)	1.09
Closing balance	**99.53**	**31.99**	**104.23**	**27.78**
Current liability	17.47	2.82	15.21	2.45
Non Current liability	82.06	29.17	89.02	25.33

The weighted average duration of the defined benefit obligation is 16.76 years for the year ended March 31, 2019 and 16.25 years for year ended March 31, 2018.

The gratuity scheme of the Company is unfunded, hence there was no plan asset as at March 31, 2019 and March 31, 2018.

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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, 2019		March 31, 2018	
	Gratuity	PRMB	Gratuity	PRMB
Discount rate				
Increase by 0.50%	(3.43)	(1.83)	(2.26)	(0.60)
Decrease by 0.50%	3.73	2.08	2.64	0.70
Expected rate of change in compensation level of covered employees				
Increase by 0.50%	3.32	2.10	2.47	0.69
Decrease by 0.50%	(3.20)	(1.81)	(2.18)	(0.63)

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.

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, 2018 7% for executives and 5% for workmen). As such, an increase in the salary of the plan participants will increase the plan's liability.

(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 (2006-08) 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 7.8% inflation rate (March 31, 2018: 7.7%). 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 Rs. 44.88 Crore as on March 31, 2019 and Rs. 34.53 Crore as on March 31, 2018 has been presented as current, since the Company does not have an unconditional right to defer the settlement of these obligations.

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43 Contingencies and commitments
(to the extent not provided for)

(i) Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances).	205.92	301.56
(b) Other commitments		
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme which is to be fulfilled over the next eight /six years. If the Company is unable to meet these obligations, its liability would be Rs. 23.83 Crore (March 31, 2018: Rs. 328.49 Crore) which will reduce in proportion to actual exports. The Company is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations and accordingly has not made any provision in its financial statements.	147.28	3,316.98
Total	**353.20**	**3,618.54**

(ii) Contingencies

Particulars	As at March 31, 2019	As at March 31, 2018
(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.*	785.13	689.87
ii. Property tax matter.*	98.22	125.52
iii. Relating to Suppliers and Contractors - Matter pending in Court / arbitration.*	267.48	155.19
iv. Electricity surcharge - Matter pending with Chhattisgarh State Electricity Board*	2.00	2.00
(b) Relating to various Indirect Tax matters decided in favour of the Company against which the department is in appeal or the Company is in appeal against various notices received from department (Mainly on account of various show cause notices received from Commissioner of Central Excise for availment of Cenvat credit on various inputs/capital goods used for production of finished goods and entry tax demand for various raw materials procured.)*	31.38	0.33
(c) Relating to application filed alleging the use of forest land for non-forest purposes	156.00	156.00
(d) Custom duty against fulfillment of export obligation (Also refer note 43(i)(b))	23.83	328.49
Total	**1,364.04**	**1,457.40**

** Future cash outflows in respect of the above matters are determinable 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 Rs. 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. The Company has already applied for the eligibility certificate. On the basis of legal opinion obtained, the Company is of the view that it is legally entitled to receive the exemption from payment of electricity duty under the Industrial Policy 2001-06 and the demand raised by the Chief Electrical Inspector is misconceived in law. The amount for the period subsequent to March 31, 2009 till March 31, 2019 amounts to Rs. 826.31 Crore (March 31, 2018: Rs. 695.06 Crore). Therefore, based on the grounds stated above, the Company has neither recognised a provision nor disclosed this as a contingent liability considering the possibility of an outflow of resources embodying economic benefits as remote.

ii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. The Company has not made a provision on a prospective basis from the date of the SC order since the amount is not material. The Company will update its provision, on receiving further clarity on the subject.

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44 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, 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 4. 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 an arm's length basis in a manner similar to transactions with third parties except from power segment sales amounting to Rs 67.28 Crore and Rs. 133.01 Crore which is at cost for the year ended March 31, 2019 and March 31, 2018 respectively.

During the year, the Company has reclassified one of its 300 MW Independent Power Plant to Captive Power Plant with effective from January 01, 2019 on the basis of CERC order dated January 01, 2019.

B Information about reportable segments

Particulars	March 31, 2019				March 31, 2018			
	Aluminium	Power	Elimination	Total	Aluminium	Power	Eliminations	Total
Revenue from sale of products								
External sales	9,257.49	791.63		10,049.12	8,128.82	751.15		8,879.97
Inter segment sales		67.28	(67.28)	-		133.01	(133.01)	-
Enterprise revenue from sale of products	9,257.49	858.91	(67.28)	10,049.12	8,128.82	884.16	(133.01)	8,879.97
Results								
Segment result	520.58	219.04		739.62	416.70	262.53		679.23
Less : Exceptional item				-				(29.70)
Less : Interest expenses				(517.21)				(498.44)
Less : Unallocated Income/Expenses				(18.22)				20.59
Net profit / (loss)	520.58	219.04	-	204.19	416.70	262.53	-	171.68
Segment assets	11,791.05	1,744.99		13,536.04	10,466.56	2,749.66		13,216.22
Unallocated assets				851.45				70.97
Total assets	11,791.05	1,744.99	-	14,387.49	10,466.56	2,749.66	-	13,287.19
Segment liabilities	5,603.84	160.34		5,764.18	4,373.53	280.55		4,654.08
Unallocated liabilities				4,561.36				5,108.65
Total liabilities	5,603.84	160.34	-	10,325.54	4,373.53	280.55	-	9,762.73
Depreciation and amortisation expense	456.85	56.49		513.34	357.40	64.41		421.81

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Bharat Aluminium Company Limited
Notes to Financial statements for the year ended March 31, 2019
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C **Entity wide disclosures**

a. Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

Particulars	March 31, 2019	March 31, 2018
Revenue based on geographical information for the year ended		
India	6,918.71	6,341.52
Outside India	3,130.41	2,538.45
Revenue from sale of products	**10,049.12**	**8,879.97**
Carrying amount of non current assets[1] based on location of assets as at		
India	10,973.85	11,174.93
Outside India	-	-
Total	**10,973.85**	**11,174.93**

1. Excluding financial assets and deferred tax assets.

b. Reconciliation between segment revenue and enterprise revenue for the year ended

Particulars	March 31, 2019	March 31, 2018
Segment revenue from sale of products		
Aluminium	9,257.49	8,128.82
Power	858.91	884.16
Elimination	(67.28)	(133.01)
Total Segment revenue from sale of products	**10,049.12**	**8,879.97**
Enterprise revenue		
Revenue from sale of products	10,049.12	8,879.97
Other operating revenue	99.88	73.76
Total Enterprise revenue from operations	**10,149.00**	**8,953.73**

No customer accounted for 10% or more of revenue during financial year ending March 31, 2019 and March 31,2018.

D **Disaggregation of revenue from contracts with customers**

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Aluminium Ingot, Billets, Slabs, Bus bar, Alloy Ingots	4,797.31	4,473.31
Wire rods	3,604.91	3,403.39
Rolled products	452.99	406.05
By product	7.36	6.80
Power wheeling	994.75	812.17
Commodity hedging gain/(loss)	105.54	(26.96)
Others	86.26	-
Less: Trial Run production Sales (Refer note no. 40)	-	(194.79)
Total	**10,049.12**	**8,879.97**

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(All amounts are in INR Crore, unless otherwise stated)

45 Related party disclosures

A Names of related parties and description of relation :

(i) Holding companies:

Vedanta Limited (VL)- Immediate Holding Company (Holding 51 % 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)
Vizag General Cargo Berth Pvt. Limited (VGCB)
Zinc International (ZI)
Sterlite Power Transmission Limited (SPTL)
Electrosteel Limited (ESL) (w.e.f June 04, 2018)
Namzinc (proprietary) Limited

(b) Other related parties

Vedanta Medical Research Foundation (VMRF)* - Public Company with common director
BALCO Employee Provident Fund Trust- Post employment benefit plan

(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
(b) Executive Director	Mr. Tarun Jain
(c) Government Directors	Ms. Reena Sinha Puri
	Mr. Prithul Kumar (Till January 10, 2019)
	Mr. Amit Saran (w.e.f. January 16, 2019)
	Mr. Ram Karan (Till May 23, 2018)
	Mr. Alok Chandra (w.e.f. May 23, 2018)
(d) Independent Directors	Mr. Ramamirtham Kannan
	Mr. A R Narayanaswamy
	Mr. Gurminder Singh Kang
(e) CEO and Director	Mr. Vikas Sharma
(f) Chief financial officer	Mr. Rohit Soni
(g) Company Secretary	Mr. Rohit Kumar Sarda (Till October 23, 2017)
	Mr. Vinod Mathur (w.e.f. October 24, 2017)
(h) Relative of key management personnel	Ms. Kajal Saxena, wife of Mr. Rohit Kumar Sarda (Till October 23, 2017)

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Bharat Aluminium Company Limited
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B Transactions with related parties

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Sales		
Vedanta Limited	666.40	303.08
HZL	19.94	20.99
ZI	-	4.52
SPTL	48.85	145.36
ESL	0.14	-
Namzinc	0.76	-
Total	**736.09**	**473.95**
Purchase of raw material		
Vedanta Limited	1,476.69	502.29
Total	**1,476.69**	**502.29**
Purchase of power and fuel		
Vedanta Limited	-	@
VGCB	18.09	3.89
MVPL	8.26	1.14
Total	**26.35**	**5.03**
Employee benefit expenses		
Vedanta Limited	31.21	30.61
Total	**31.21**	**30.61**
Other expenses		
Vedanta Limited	367.64	644.41
Total	**367.64**	**644.41**
Donations given		
VMRF	99.80	83.32
Total	**99.80**	**83.32**
Corporate Guarantee Commission expense		
Vedanta Limited	-	1.08
Total	**-**	**1.08**
Corporate Guarantee Given to VMRF	**50.71**	**34.40**
Interest income		
HZL	0.06	-
Total	**0.06**	**-**
Recovery of Expenses		
Vedanta Limited	0.11	1.69
HZL	0.66	0.91
TSPL	0.48	0.24
Total	**1.25**	**2.84**
Puchase of Property, Plant and Equipments		
HZL	-	(0.13)
Total	**-**	**(0.13)**
Corporate Guarantee taken/(released)		
Vedanta Limited	-	2,370.00
Vedanta Limited	-	(3,570.00)

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(All amounts are in INR Crore, unless otherwise stated)

The receivables from and payables to related parties as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	As at	
	March 31, 2019	March 31, 2018
Receivable from:		
Vedanta Limited	0.77	0.27
MVPL	-	0.41
HZL	3.70	4.57
TSPL	0.51	0.01
ESL	0.15	-
Total	**5.13**	**5.26**
Payable to:		
Vedanta Limited	158.10	103.35
MVPL	1.64	-
VGCB	1.15	0.03
SPTL	1.41	4.23
Total	**162.30**	**107.61**

@ less than Rs. one lac

C Remuneration of key management personnel

The remuneration of key management personnel and a relative of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures.

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Short term employee benefits	5.68	3.69
Post employment benefits#	0.13	0.09
Other long term benefits	0.08	0.08
Directors' sitting fees	0.40	0.11
Total	**6.29**	**3.97**

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.

D Contribution to post employment benefit plan	For the year ended	
	March 31, 2019	March 31, 2018
Balco Employees Provident Fund Trust	13.80	12.93

Payable to post employment benefit plan	As at	
	March 31, 2019	March 31, 2018
Balco Employees Provident Fund Trust	5.14	4.99

E 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.

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46 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. 4.

I Financial assets and liabilities as at

Particulars	March 31, 2019				
	FVTPL	FVTOCI	Amotised Cost	Carrying Value	Fair Value
Finacial assets					
Cash and cash equivalents	-	-	336.11	336.11	336.11
Other bank balances	-	-	0.13	0.13	0.13
Current investments	100.11	-	-	100.11	100.11
Loans- non current	-	-	0.80	0.80	0.80
Loans- current	-	-	1.43	1.43	1.43
Non current trade receivables	-	-	237.72	237.72	237.72
Current trade receivables	10.11	-	486.81	496.92	496.92
Derivatives	1.51	-	-	1.51	1.51
Other financial assets- current & non current	-	-	57.57	57.57	57.57
Total	**111.73**	**-**	**1,120.57**	**1,232.30**	**1,232.30**
Financial liabilities					
Borrowings- non current	-	-	3,425.33	3425.33	3,444.49
Borrowings- current	-	-	503.11	503.11	503.11
Trade payables	-	-	2690.61	2690.61	2,690.61
Derivatives- current & non current	137.21	8.11	-	145.32	145.32
Other financial liabilities- current & non current	-	-	910.74	910.74	910.74
Total	**137.21**	**8.11**	**7,529.79**	**7,675.11**	**7,694.27**

Particulars	March 31, 2018				
	FVTPL	FVTOCI	Amotised Cost	Carrying Value	Fair Value
Finacial assets					
Cash and cash equivalents	-	-	3.82	3.82	3.82
Other bank balances	-	-	0.12	0.12	0.12
Current investments	50.08	-	-	50.08	50.08
Loans- non current	-	-	0.58	0.58	0.58
Loans- current	-	-	1.87	1.87	1.87
Non current trade receivables	-	-	57.49	57.49	57.49
Current trade receivables	-	-	355.62	355.62	355.62
Derivatives	4.52	37.81	-	42.33	42.33
Other financial assets- current & non current	-	-	161.49	161.49	161.49
Total	**54.60**	**37.81**	**580.99**	**673.40**	**673.40**
Financial liabilities					
Borrowings- Non current	-	-	3,758.33	3,758.33	3,783.19
Borrowings- Current	-	-	1,105.20	1,105.20	1,105.20
Trade payables	-	-	1,812.03	1,812.03	1,812.03
Derivatives	107.55	-	-	107.55	107.55
Other financial liabilities- current & non current	-	-	846.30	846.30	846.30
Total	**107.55**	**-**	**7,521.86**	**7,629.41**	**7,654.27**

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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, 2019		
	Level 1	Level 2	Level 3
Financial assets			
Investments at fair value through profit and loss	100.11	-	-
Derivative financial assets at fair value through profit and loss	-	1.51	-
Trade receivables at fair value through profit and loss	-	10.11	-
Total	**100.11**	**11.62**	**-**
Financial liabilities			
Derivative financial liabilities at fair value through profit and loss	-	137.21	-
Derivative financial liabilities at fair value through other comprehensive income	-	8.11	-
Total	**-**	**145.32**	**-**

Financial instruments	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial assets			
Investments at fair value through profit and loss	50.08	-	-
Derivative financial assets at fair value through profit and loss	-	4.52	-
Derivative financial assets at fair value through other comprehensive income	-	37.81	-
Total	**50.08**	**42.33**	**-**
Financial liabilities			
Derivative financial liabilities at fair value through profit and loss	-	107.55	-
Derivative financial liabilities at fair value through other comprehensive income	-	-	-
Total	**-**	**107.55**	**-**

The below table summarises the fair value of financial liabilities which are carried at amortised cost as at March 31, 2019 and March 31, 2018:

Financial instruments	Level 1	Level 2	Level 3
As at March 31, 2019			
Non-current borrowings	-	3,444.49	-
Current borrowings	-	503.11	-
Current maturities of long term borrowings	-	380.92	-
Total	**-**	**4,328.52**	**-**
As at March 31, 2018			
Non-current borrowings	-	3,783.19	-
Current borrowings	-	1,105.20	-
Current maturities of long term borrowings	-	51.00	-
Total	**-**	**4,939.39**	**-**

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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 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 above periods.

II Risk Management Framework

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

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 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.

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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

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,

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, 2019 and March 31, 2018.

V Financial Risk

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.

(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 and its Non-Convertible Debentures (NCD) programme a rating of AA- Stable reaffirmed (pronounced ICRA double A minus), primarily on account of improvement in financials, commodity prices and ramp up of new capacities.

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.

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Financial liabilities	<1 year	1-3 years	3-5 years	>5 years	Total
As at March 31, 2019					
Borrowings	889.42	1,888.29	1,187.18	360.00	**4,324.89**
Trade and other payables	3,177.34	-	-	-	**3,177.34**
Derivative financial liabilities	46.43	98.89	-	-	**145.32**
Contractual interest obligation	462.58	467.98	222.14	47.91	**1,200.61**
Total	**4,575.77**	**2,455.16**	**1,409.32**	**407.91**	**8,848.16**
As at March 31, 2018					
Borrowings	1,156.20	1,401.77	1,386.60	972.00	**4,916.57**
Trade and other payables	2,563.67	-	-	-	**2,563.67**
Derivative financial liabilities	0.70	106.85	-	-	**107.55**
Contractual interest obligation	209.16	196.57	170.05	317.31	**893.08**
Total	**3,929.73**	**1,705.19**	**1,556.65**	**1,289.31**	**8,480.87**

Funding facility	Total Facility	Drawn	Undrawn
As at March 31, 2019			
Fund based limit	3,001.38	2,534.36	467.02
Non fund based limit	2,560.00	2,393.90	166.10
Total	**5,561.38**	**4,928.26**	**633.12**
As at March 31, 2018			
Fund based limit	2,760.00	2,096.94	663.06
Non fund based limit	3,316.54	3,316.54	-
Total	**6,076.54**	**5,413.48**	**663.06**

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.

(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"

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Particulars	Financial assets		Financial liabilities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
INR	1,164.21	628.58	4,926.99	5,489.24
US $	68.09	44.82	2,744.37	2,136.44
Others	-	-	3.75	3.73
Total	1,232.30	673.40	7,675.11	7,629.41

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 fiscal year 2019 and fiscal year 2018 by Rs. 68.98 Crore and Rs. 47.87 Crore respectively.

(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. Additionally, the investments portfolio is independently reviewed by CRISIL Limited, and our investment portfolio has been rated as "Very Good" meaning highest safety.

The exposure of the Company's financial assets and financial liabilities to interest rate risk is as follows

Particulars	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, 2019	100.11	389.09	743.10	1232.30	1.31%	0.10
As at March 31, 2018	253.01	179.42	240.97	673.40	0.73%	0.21
Financial liabilities						
As at March 31, 2019	3,389.14	2,665.27	1,620.70	7,675.11	5.68%	0.51
As at March 31, 2018	3,360.88	2,357.15	1,911.38	7,629.41	7.68%	0.82

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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, 2019	As at March 31, 2018
0.50%	16.45	15.54
1.00%	32.89	31.08
2.00%	65.78	62.16

(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. No customer accounted for 10% or more of revenue during FY 19. 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. These exposures are further reduced by having standard International Swaps and Derivatives Association (ISDA) master agreements including set-off provisions with each counter party. 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 Rs. 896.06 Crore and Rs. 669.46 Crore as at March 31, 2019 and March 31, 2018 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, 2019, that defaults in payment obligations will occur except as described in note nos. 7 and 13 on trade and other receivables.

Particulars	As at March 31, 2019	As at March 31, 2018
Neither impaired nor past due	428.90	334.25
Past due		
-Less than 1 month	357.10	126.23
-Between 1-3 months	57.61	127.51
-Between 3-12 months	52.45	81.47
-Greater than 12 months	0.00	0.00
Total	**896.06**	**669.46**

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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 trade receivable of Rs. 237.72 Crore, recovery of which depends on resolution of the coal wholesale price indexation matter with the customer.

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.

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, 2019 and March 31, 2018.

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, 2020 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 forward 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.

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.

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(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, 2019		As at March 31, 2018	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge[a]				
- Commodity contracts	-	6.02	37.82	-
Fair Value hedge[b]				
- Commodity contracts	1.34	0.35	1.20	-
- Forward foreign currency contracts	0.17	40.06	3.31	-
Non - qualifying hedges[b]				
- Commodity contracts	-	-	-	0.70
- Forward foreign currency contracts	-	-	-	-
Total Current	**1.51**	**46.43**	**42.33**	**0.70**
Non-current				
Fair value hedge[b]				
- Forward foreign currency contracts	-	98.89	-	106.85
Total Non-current	**-**	**98.89**	**-**	**106.85**
Total	**1.51**	**145.32**	**42.33**	**107.55**

(a) Refer statement of profit and loss and statement of changes in equity for the change in the fair value of cash flow hedges.

(b) The change in fair value hedge of Rs. (0.99) Crore in commodity contracts and Rs. 138.78 Crore on forward foreign currency contracts for the year ended March 31, 2019, has been recognised in the statement of profit or loss and offset with the similar gains on the underlying sales.

(c) Refer Balance Sheet for non-current and current derivative receivables and payables.

Derivative contracts entered into by the Company and outstandings 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, 2019	As at March 31, 2018
Forex forward cover (buy)	2,450.83	2,191.97
Forex forward cover (sell)	61.26	-

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(ii) For hedging commodity related risks: - Category wise break up is given below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Purchase	Sale	Purchase	Sale
Forwards / Futures				
Aluminium (MT)	1,000	42,650	1,400	41,125

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, 2019	As at March 31, 2018
Payables	757.93	656.95
Receivables	68.09	44.82

(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, 2019		As at March 31, 2018	
	MT	Amount	MT	Amount
Sale of Aluminium	2,925	38.44	5,036	65.41

47 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 next 25 Years. 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.

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. 21, 27 and 43).

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 2019 is Rs 18.05 Crore ('March 31, 2018 : Rs.17.15 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 7.6% 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 Rs 0.17 crore lower (Refer note no. 21).

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. 42).

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. 41.

vii) 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 nos. 7, 28.3 and 28.4).

S. R. BATLIBOI & CO. LLP * GURUGRAM *

BHARAT ALUMINIUM COMPANY LIMITED * KORBA (C.G.) *

48 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, debebture redemeption reserve and capital reserve). The following table summarizes the capital of the Company:

Particulars	As at March 31, 2019	As at March 31, 2018
Share capital	220.62	220.62
Free reserves	3,770.19	3,219.47
Equity (A)	**3,990.81**	**3,440.09**
Cash and cash equivalents	336.11	3.82
Short term investments	100.11	50.08
Total cash (B)	**436.22**	**53.90**
Short-term borrowings	503.11	1,105.20
Long-term borrowings	3,425.33	3,758.33
Current Maturity of long term borrowings	380.92	51.00
Total debt (C)	**4,309.36**	**4,914.53**
Net debt (D=(C-B)	**3,873.14**	**4,860.63**
Total capital (equity + net debt)	**7,863.95**	**8,300.72**
Net debt to equity ratio (E=D/A)	**0.97**	**1.41**

49 As at March 31, 2019, the current liabilities of the Company is higher than the current assets by Rs. 3193.16 Crore (March 31, 2018: Rs. 2,976.11 Crore). The following matters have been considered by the management in determining the appropriateness of the going concern basis of preparation for the financial statements:

• The entity expects that the net cash inflows from operating activities 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 the Company's Non-Convertible Debentures and fund based banking facilities a rating of AA-, which can also be helpful to raise long term funds, if necessary.

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.

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

per Raj Agrawal
Partner
Membership No. 82028

S.R. BATLIBOI & CO. LLP GURUGRAM

Place: Gurugram
Date: May 02, 2019

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302

Vikas Sharma
Chief Executive Officer & Director
DIN: 00761202

Rohit Soni
Chief Financial Officer

Vinod Kumar Mathur
Company Secretary

Place: New Delhi

BHARAT ALUMINIUM COMPANY LIMITED KORBA (C.G.)