


Bharat Aluminium Company Limited
Balance Sheet as at March 31, 2014

(Rupees in Crores)

Particulars		Note No.	As at March 31, 2014	As at March 31, 2013
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	220.62	220.62
	(b) Reserves and surplus	4	4,148.05	4,118.62
2	Non-current liabilities			
	(a) Long-term borrowings	5	1,918.75	2,527.44
	(b) Deferred tax liabilities (net)	36	99.93	131.00
	(c) Other long-term liabilities	6	301.24	310.35
	(d) Long-term provisions	7	139.92	141.32
3	Current liabilities			
	(a) Short-term borrowings	8	1,993.46	1,435.98
	(b) Trade payables	9	343.61	262.89
	(c) Other current liabilities	10	1,940.05	1,330.19
	(d) Short-term provisions	11	20.92	17.35
	TOTAL		11,126.55	10,495.76
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	12	1,565.51	1,759.22
	(ii) Intangible assets	12	5.06	7.31
	(iii) Capital work-in-progress		8,382.18	7,550.79
	(b) Long-term loans and advances	13	180.54	173.41
	(c) Other non-current assets	14	12.23	-
2	Current assets			
	(a) Inventories	15	553.89	542.01
	(b) Trade receivables	16	125.89	181.70
	(c) Cash and cash equivalents	17	1.34	0.72
	(d) Short-term loans and advances	18	296.77	280.60
	(e) Other current assets	19	3.14	-
	TOTAL		11,126.55	10,495.76


See accompanying note nos. 1 to 51 forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Jitendra Agarwal
Partner

For and on behalf of the Board of Directors


S.K. Roongta
Director


Ramesh Nair
CEO & Whole Time Director


Dinesh Mantri
Chief Financial Officer


Prerna Halwasiya
Company Secretary

Place : New Delhi
Date : April 22, 2014



SR

Bharat Aluminium Company Limited
Statement of Profit and loss for the year ended March 31, 2014

(Rupees in Crores)

Particulars		Note No	Year ended March 31, 2014	Year ended March 31, 2013
I.	Revenue from operations (gross)		4,092.36	4,329.27
	Less: Excise duty		(420.62)	(412.55)
	Revenue from operations (net)	20	3,671.74	3,916.72
II.	Other income	21	22.45	36.51
III.	Total Revenue (I + II)		3,694.19	3,953.23
IV.	Expenses:			
	Cost of materials consumed	22A	1,533.33	1,442.86
	Purchases of Stock-in-Trade	22B	-	45.02
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(26.86)	(13.86)
	Employee benefits expense	24	325.32	322.42
	Finance costs	25	92.30	60.10
	Depreciation and amortisation expense	12	230.25	261.16
	Other expenses	26	1,523.97	1,778.93
	Total expenses		3,678.31	3,896.63
V.	Profit before tax (III- IV)		15.88	56.60
VI.	Tax expense:			
	-Current tax	27	3.30	4.20
	-Deferred tax		(26.30)	(5.98)
VII.	Profit for the year (V-VI)		38.88	58.38
VIII.	Earnings per equity share (of Rs. 10/-each) Basic and Diluted (in Rs. per share)	37	1.76	2.65

See accompanying note nos. 1 to 51 forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
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Jitendra Agarwal
Partner

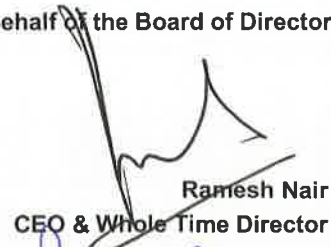


Place : New Delhi
Date : April 22, 2014

For and on behalf of the Board of Directors


S K Roongta
Director


Dinesh Mantri
Chief Financial Officer


Ramesh Nair
CEO & Whole Time Director


Prerna Halwasiya
Company Secretary

SR

Bharat Aluminium Company Limited

Cash Flow Statement for the year ended March 31, 2014

(Rupees in crores)

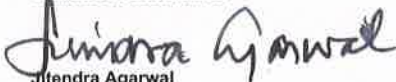
	March 31, 2014		March 31, 2013	
A. Cash flow from operating activities				
Profit before tax		15.88		56.60
Adjusted for :				
- Depreciation and amortisation expense	230.25		261.16	
- Interest income	(18.59)		(22.48)	
- Finance cost	71.41		47.96	
- (Profit)/loss on sale of current investments	(1.90)		(0.85)	
- (Profit)/loss on sale of fixed assets (net)	4.00		8.95	
- Net loss on foreign currency transactions and translation	43.41		20.69	
- Bad debts/advances/claims written off	-		1.07	
- Unclaimed Liabilities/provisions written back (net)	(0.33)		(11.33)	
- Hedging Reserve	(14.02)		14.87	
- Deferred government grant	(0.19)		(0.01)	
		314.04		320.04
Operating profit before working capital changes		329.92		376.64
Adjusted for :				
- (Increase)/Decrease in Trade receivables	55.80		2.23	
- (Increase)/Decrease in Inventories	(11.88)		7.04	
- (Increase)/Decrease in Long-term loans and advances	3.79		(3.09)	
- (Increase)/Decrease in Short-term loans and advances	(50.36)		(35.36)	
- Increase/(Decrease) in Long-term provisions	(1.40)		11.80	
- Increase/(Decrease) in Trade payables	81.57		(77.26)	
- Increase/(Decrease) in Other current liabilities	83.10		58.19	
- Increase/(Decrease) in Short-term provisions	2.36		(13.92)	
		162.98		(50.37)
Cash generated from operations		492.90		326.27
Income taxes paid (net)		(1.96)		(2.03)
Net cash from operating activities		490.94		324.24
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advances		(458.16)		(643.19)
Sale of fixed assets		0.76		2.13
Purchases of current investments		(4,080.00)		(1,765.20)
Sale of current investments		4,081.90		1,766.05
Interest received		18.59		27.78
Bank balances not considered as cash and cash equivalents				
- Deposits placed		(26.56)		(0.56)
- Deposits matured		26.56		0.56
Net cash used in investing activities		(436.91)		(612.43)
C. Cash flow from financing activities				
Net proceeds from short term borrowings with maturity of 3 months or less		359.21		635.92
Proceeds from long-term borrowings		506.39		102.19
Proceeds from other-short term borrowings		931.40		581.98
Repayment of long-term borrowings		(829.71)		(844.46)
Repayment of other short-term borrowings		(746.04)		(198.29)
Interest and finance charges paid		(274.66)		(236.71)
Net cash from financing activities		(53.41)		40.63
Net (decrease) / increase in cash and cash equivalents		0.62		(247.56)
Cash and cash equivalents as at the beginning of the year		0.58		248.14
Cash and cash equivalents as at the end of the year		1.20		0.58
Reconciliation of Cash and cash equivalents with the balance sheet				
Cash and cash equivalents as per balance sheet (refer note 17)		1.34		0.72
Less:- Bank balances not considered as cash and cash equivalents		(0.14)		(0.14)
Cash and Bank balance as at the end of the year		1.20		0.58

Notes:

1) Bank balances not considered as cash and cash equivalents consists of lien on fixed deposits amounting to Rs. 0.14 crs (2013: Rs. 0.14 crs)

2) Previous year's figures have been restated, wherever necessary to conform to this year's classification.

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For Deloitte Haskins & Sells LLP
Chartered Accountants


Jitendra Agarwal
Partner

For and on behalf of the Board of Directors


S K Roongta
Director


Ramesh Nair
CEO & Whole-time Director



Place : New Delhi
Date : April 22, 2014


Dinesh Mantri
Chief Financial Officer


Purna Halwasiya
Company Secretary



Note 1 : Company's Overview

Bharat Aluminium Company Limited (referred as "BALCO" or "the Company" hereinafter) was incorporated under the laws of the Republic of India with its registered office at New Delhi having operative 2.45 lac mtpa aluminium plant with captive power plant of 810 MW and 3.25 lac mtpa aluminum expansion smelter under trial run with 1200MW power plant project under implementation at Korba (Chhattisgarh) and captive Bauxite mines at Mainpat and Bodai Daldali in Chhattisgarh. Sesa Sterlite Limited and the Government of India respectively hold 51% and 49% of the paid up equity share capital of BALCO.

Note 2 : Significant Accounting Policies

A Basis of accounting

The financial statements of the Company have been prepared on an accrual basis under historical cost convention and in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Companies Act. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles in India.

B Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

C Revenue Recognition

Revenue represents the net invoice value of goods and services provided to third parties after deducting discounts, volume rebates, outgoing sales taxes and duties. Revenues are recognised when all significant risks and rewards of ownership of the goods sold are transferred to the customer. Export benefits are accounted on recognition of export sales. Interest income is recognised on a time proportion basis in the income statement.

D Fixed assets

Fixed assets (including shared assets) are stated at historical cost (net of Cenvat and value added tax) including expenses incidental to the installation of assets, attributable borrowing and financing costs and exclude government grants, related to acquisition; less accumulated depreciation / amortisation and impairment. The government grant received is credited to Deferred Government Grant Account and amount equivalent to depreciation on those assets is recouped from the said account and included in other income.

E Capital work in progress

All costs (capital and revenue) relating to projects under construction are reflected as capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of asset and depreciation starts. Costs associated with the commissioning of an asset are capitalised 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 capitalised.

F Assets held for sale

Fixed assets that have been retired from active use and are classified as held for sale are measured at the lower of net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in Statement of profit and loss.

G Impairment

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of profit and loss, except in case of revalued assets.

H Depreciation

(a) Old unit (capitalised before March 1, 2005)

Depreciation is provided on the straight line method at rates specified in Schedule XIV to the Companies Act, 1956 except in the following cases where the rates are higher than those specified:-

- i. Leasehold land (including land development expenses) is amortised over a period of the lease.
- ii. Plant and machinery includes;
 - medical/office equipment, air conditioners and electrical appliances depreciated @ 20%
 - personal computer and electronic equipment depreciated @ 33.33%.
- iii. Furniture and fittings are depreciated @ 20%.
- iv. Red Mud Pond and Ash Dyke are depreciated on the basis of technically estimated life not exceeding a period of 10 years.
- v. Keeping in view the economic life, suitable provision is made in respect of immovable assets in mines towards estimated sunk cost.
- v. Additions arising on account of Insurance spares, additions/extensions forming an integral part of existing plants and the revised carrying amount of the assets identified as impaired on which depreciation has been provided over residual life of the respective fixed assets.



P Retirement / Post Retirement benefits

a. Short term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

b. Long term

Gratuity - The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined using the projected unit credit method. Actuarial gains and losses are immediately recognised in the Statement of profit and loss.

i) Provident Fund - The eligible employees of the Company are entitled to receive benefits under the Provident fund, a defined contribution plan, in which both the employees and the Company make monthly contributions at a specified percentage of the employees salary.

The contributions as specified under the law are paid to a Trust administered by the Company. The Company is liable to make good any deficiency in the interest declared by the Board of Trustees to bring it to the statutory limit. The Company recognises such contributions and deficiency, if any, as an expense in the year incurred.

ii) Post Retirement Medical Benefits - The Company has a scheme of post retirement medical benefits for employees, the liability for which is determined on the basis of independent external actuarial valuation.

iii) Compensated Absences - The liability for compensated absences is provided on the unutilised leave at each balance sheet date on the basis of an independent external actuarial valuation.

iv) Termination benefits are recognised as an expense when incurred.

Q Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

i. Inter segment revenue have been accounted for based on the cost price.

ii. Segment Revenue, Segment Expenses, Segment Assets and Segment Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated revenue / expenses / Assets / Liabilities"

R Taxation

Provision for current tax is made after taking into account rebate and relief available under the provisions of the Income Tax Act, 1961.

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 recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax resulting from timing differences between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized only to the extent that there is a reasonable certainty that the future taxable profit will be available against which the deferred tax assets can be realized in future. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

S Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



(b) New unit (capitalised after March 1, 2005)

Depreciation is provided on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

(c) Intangible assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Intangible assets are amortised on straight line basis over the useful life of the asset.

I Investments

- (i) Long term investments are carried individually at cost less any decline, other than temporary, in the value of investments. Investments are recorded as long term investments unless they are expected to be sold within one year.
- (ii) Current investments are carried individually, at lower of cost and fair value.

J Inventories

Inventories are valued on weighted average basis at lower of cost and net realisable value except scrap and by-products which are valued at net realisable value. Cost of inventories of finished goods and work-in-progress includes material cost, cost of conversion and an appropriate proportion of overheads. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal. Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

K Foreign currency transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are restated at year end rates. In case of monetary items which are hedged by derivative instruments, the valuation is done in accordance with accounting policy on derivative instruments.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except in respect of long term foreign currency monetary items relating to acquisition of depreciable fixed assets, such difference is adjusted to the carrying cost of the depreciable fixed assets. In respect of other long term foreign currency monetary items, the same is transferred to "Foreign Currency Monetary Translation Difference Account" and amortised over the balance period of such long term foreign currency monetary items but not beyond March 31, 2020.

Non monetary foreign currency items are carried at cost.

L Derivative instruments

The Company enters into forward, option, swap contracts and other derivative financial instruments, in order to hedge its exposure to foreign exchange, interest rate and commodity price risks. The Company neither holds nor issues any derivative financial instruments for speculative purposes.

The premium and discount arising at inception of forward contracts is amortised as expense or income over the life of the contract.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. The hedged item is recorded at fair value. Gain or loss if any, is recorded in the Statement of Profit and Loss and is offset by the gain or loss from the change in the fair value of the derivative.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recorded in hedging reserve account. Any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained in hedging reserve until the forecast transaction occurs. Amounts deferred to hedging reserve are recycled in the Statement of Profit and Loss in the periods when the hedged item is recognised in the Statement of Profit and Loss or when the portion of the gain or loss is determined to be an in-effective hedge.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial assets or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which cash flow hedge accounting is applied, the associated gains and losses that were recognized in hedging reserve are included in the initial cost or other carrying amount of the asset and liability.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the Statement of Profit and Loss immediately. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to Statement of Profit and Loss for the year.

M Borrowing costs

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which they are incurred. All other borrowing costs are charged to statement of Statement of profit and loss.

N Research and development

Revenue expenditure is charged to Statement of profit and loss in the year it is incurred. Capital expenditure is included in the cost of fixed assets.

O Dividend

Interim dividend payments including tax thereon has been appropriated from profits for the year and provision is made for proposed final dividend and tax thereon subject to consent of the shareholders at the annual general meeting.



Note 3 - Share capital

(Rupees in Crores)

Particulars	As at Mar 31, 2014		As at March 31, 2013	
	Number of shares	Rs.	Number of shares	Rs.
Authorised				
50,00,00,000 Equity shares of Rs.10 each	50,00,00,000	500.00	50,00,00,000	500.00
Issued, subscribed and fully Paid up				
Equity shares of Rs.10 each fully paid	22,06,24,500	220.62	22,06,24,500	220.62
Total	22,06,24,500	220.62	22,06,24,500	220.62

i) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the reporting period :

Particulars	As at Mar 31, 2014		As at March 31, 2013	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares outstanding at the beginning and end of the year	22,06,24,500	220.62	22,06,24,500	220.62

ii) The scheme of amalgamation and arrangement amongst Sterlite Industries (India) Limited (the erstwhile holding company), Sterlite Energy Limited (SEL), Vedanta Aluminium Limited, Ekaterina Limited, Madras Aluminium Company Limited and Sesa Goa Limited (SGL) have been sanctioned by the respective jurisdictional courts and made effective during the year. Accordingly, Sesa Sterlite Limited is the new holding company of Bharat Aluminium Company Limited. 112,518,495 equity shares are held by the holding company and their nominees. Ultimate holding company Vedanta Resources Plc., United Kingdom does not hold any equity shares in the company.

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

Name of Shareholder	As at Mar 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
a) Sesa Sterlite Limited (earlier held by Sterlite Industries (India) Limited) and their nominees	11,25,18,495	51%	11,25,18,495	51%
b) Government of India	10,81,06,005	49%	10,81,06,005	49%
Total	22,06,24,500	100%	22,06,24,500	100%

iv) 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. 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.

Note 4 - Reserves and surplus

(Rupees in Crores)

Particulars	March 31, 2014	March 31, 2013
(a) Capital reserves		
Opening balance	9.20	9.20
Closing balance	9.20	9.20
(b) Debenture redemption reserve		
Opening balance	400.00	400.00
Less :Transfer to surplus in statement of profit and loss ^{1,2}	(270.54)	-
Closing balance	129.46	400.00
(c) General Reserve		
Opening balance	430.31	430.31
Closing balance	430.31	430.31
(d) Hedging Reserve		
Opening Balance	9.81	-
Add : Cash flow hedge transferred	(14.02)	14.86
Less : Deferred tax provided/reversed	4.76	(5.05)
Closing Balance	0.55	9.81
(e) Deferred government grant		
Opening balance	0.19	0.20
Add : Addition during the year	-	-
Less :Transferred to statement of profit and loss during the year	(0.19)	(0.01)
Closing balance	-	0.19
(f) Surplus in statement of profit and loss		
Opening balance	3,269.11	3,210.73
Add: Profit for the year	38.88	58.38
(+) Transfer from Reserves	270.54	-
Closing balance	3,578.53	3,269.11
Total	4,148.05	4,118.62

Note:

- Rs 166.67 Crores transferred from Debenture redemption reserve to Surplus in statement of profit and loss consequent to repayment of debentures.
- As per General Circular no 04/2013 dated February 11, 2013 issued by Ministry of Corporate Affairs, Debenture redemption reserve required to be maintained is 25%. Hence the amount of Rs 103.87 Crores which is in excess of prescribed limit has been transferred back to Surplus in statement of profit and loss.



Note 5 -Long-term borrowings

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
Secured		
(a) Non Convertible Debentures ^{1,2}	666.67	333.34
(b) External commercial borrowings from banks ^{3,4}	1,252.08	1,158.46
(c) Buyers' credit from banks ^{5,6}	-	1,035.64
Total	1,918.75	2,527.44

Terms and conditions of long-term borrowings	March 31, 2014	March 31, 2013
1. 3333 (2013 : 5000) 12.25 % Non Convertible Debentures of Rs.10 lacs each redeemable at par in balance two equal annual Installments on November 17, 2014 and November 17,2015. First Installment is paid on November 18, 2013.(Secured by first pari passu charge on the movable and immovable properties of the company).	166.67	333.34
2 2500 Series I 8.58% Nov 2015 and 2500 Series II 8.60% May 2016 Non Convertible Debentures of Rs 10 Lacs each redeemable at Par in two equal installments on November 30, 2015 and May 31, 2016 (Secured by First pari passu charge over Fixed Assets of the Company).	500.00	-
3. External commercial borrowings from State Bank of India, London is repayable in three annual installments on August 11, 2016, August 11, 2017, August 11, 2018. The interest rate on this facility is 6 month London Interbank Offer rate (LIBOR) plus 260 basis points. The facility is secured by first pari passu charges on all the fixed assets (excluding land) of the project both present and future along with secured lenders.	1,202.00	1,067.81
4. External commercial borrowings from DBS Bank is repayable in balance two equal annual Installments on November 11, 2014 and November 11, 2015. First Installment is paid on November 11, 2013. The rate of interest payable on this facility is 6 month LIBOR plus 345 basis points.The facility is secured by first pari passu charges on all movable fixed assets including plant & machinery related to 1200 MW power project and 3.25 LTPA Smelter projects both present and future along with secured lenders.	50.08	90.65
5. 2014: Nil (2013:Buyers' credit from Axis Bank is repayable from May 2014 to April 2016. The interest rate on this facility is 6 month LIBOR plus 200 basis points. The facility is secured by a subservient charge on the current assets and movable fixed assets and negative lien on entire fixed assets of BALCO.)	-	96.30
6. 2014 : Nil (2013: Buyers' credit from ICICI Bank is repayable from April 2014 to November 2016. The interest rate on these facilities is LIBOR plus 160 basis points. The facility is secured by exclusive charge on assets to be imported under the facilities).	-	939.34
Total	1,918.75	2,527.44

Note 6 - Other Long-term liabilities

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
Capital creditors	301.24	310.35
Total	301.24	310.35

Note 7 - Long-term provisions

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
Provision for employee benefits	139.92	141.32
Total	139.92	141.32

Note 8 - Short-term borrowings

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
Secured		
(a) Loans repayable on demand from Banks ¹	67.45	104.80
(b) Working capital loan ²	36.56	70.00
(c) Buyers' credit from banks ^{3,5}	262.93	469.13
(d) Export Packing Credit ⁴	49.00	-
	415.94	643.93
Unsecured		
(a) Buyers' credit from banks ⁸	457.52	102.05
(b) Commercial Paper ⁷	1,120.00	690.00
	1,577.52	792.05
Total	1,993.46	1,435.98



Terms and conditions of Short-term borrowings	March 31, 2014	March 31, 2013
1. Loans repayable on demand from Banks : Cash Credit secured by way of hypothecation of stock of raw materials, work-in-progress, semi-finished, finished products, consumable stores and spares, bills receivables, book debts and all other movables, both present and future. The charges ranks 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 10.98%. (2013 : 10.36%)	67.45	104.80
2. Working capital loan secured by way of hypothecation of stock of raw materials, work-in-progress, semi-finished, 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. Weighted average interest rate on working capital loan is 10.20% p.a. (2013: 9.70% p.a.)	36.56	70.00
3. Operational buyers' credit from ICICI Bank and State Bank of India are secured by way of hypothecation of stock of raw materials, work-in-progress, semi-finished, finished products, consumable stores and spares, bills receivables, book debts and all other movables, both present and future. The charges ranks pari passu among banks under the multiple banking arrangements, both for fund based and non fund based facilities.	231.46	459.39
4. Export Packing Credit from ICICI Bank is secured way of hypothecation of stock of raw materials, work-in-progress, semi-finished, finished products, consumable stores and spares, bills receivables, book debts and all other movables, both present and future. The Rate of Interest on Export Packing credit is 10% p.a.	49.00	-
5. Short Term project buyers' credit from ICICI Bank Limited is secured by way of exclusive charge on assets to be imported under the facilities	31.47	9.74
6. Buyers' credit from HDFC Bank, Yes Bank and Kotak Mahindra Bank (unsecured)	457.52	102.05
7. 2014: Commercial Paper issued to Asset Management Companies on unsecured basis at average rate of interest of 10.08% (2013: Commercial Paper issued to Asset Management Companies on unsecured basis at average rate of interest of 9.47%) (Maximum amount outstanding during the year Rs 1,160 Crs (2013: Rs 990 Crs))	1,120.00	690.00
Total	1,993.46	1,435.98

Note 9 - Trade payables

(Rupees in Crores)

Particulars	March 31, 2014	March 31, 2013
Due to Micro enterprises and small enterprises (Refer Note No. 50)	2.21	0.45
Due to related parties	19.39	4.97
Other	322.01	257.47
Total	343.61	262.89

Note 10 - Other Current Liabilities

(Rupees in Crores)

Particulars	March 31, 2014	March 31, 2013
(a) Current maturities of long-term debt ¹	873.67	335.99
(b) Interest accrued but not due on borrowings	61.98	35.17
(c) Other payables		
Capital creditors	627.89	679.44
Statutory liabilities	16.64	23.28
Fair value of derivative liability	82.12	16.42
Due to related parties	94.42	77.02
Advance from customers	68.11	63.55
Liability under litigation, salary, security deposits and others	115.22	99.32
Total	1,940.05	1,330.19

1. Current maturity of long term debt	March 31, 2014	March 31, 2013
Non convertible Debentures	166.67	166.66
External Commercial Borrowing from DBS Bank	50.07	44.32
Buyers' credit from DBS Bank	-	44.16
Buyers' credit from ICICI Bank	556.65	80.85
Buyer's credit from Axis Bank	100.28	-
Total	873.67	335.99

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Note 11 - Short-term provisions

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
(a) Provision for employee benefits	16.63	14.27
(b) Provision for tax (net)	4.29	3.08
Total	20.92	17.35

Note 13 - Long term loans and advances

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
(a) Capital advances		
Unsecured, considered good	130.13	119.08
(b) Security deposits		
Unsecured, considered good	37.74	40.94
(c) Taxation net	9.65	9.78
(d) Other loans and advances		
Unsecured, considered good	3.02	3.61
Total	180.54	173.41

Note 14 - Other non current assets

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
Unamortized expenses	12.23	-
Total	12.23	-

Note 15 - Inventories

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
(a) Raw materials	149.38	142.85
Goods-in-transit	95.55	117.12
	244.93	259.97
(b) Coal and fuel	55.06	49.18
Goods-in-transit	2.32	9.82
	57.38	59.00
(c) Work-in-progress ¹	155.25	127.31
(d) Finished goods		
Aluminium Ingot, Billets, Slabs, Bus Bar, Alloy Ingots	0.03	-
Wire rods	0.48	1.05
Rolled products	4.30	4.58
	4.81	5.63
(e) By-product	0.61	0.87
(f) Stores and spares	85.55	79.83
Goods-in-transit	5.36	9.40
	90.91	89.23
Total	553.89	542.01

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



Note 16 - Trade Receivables

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	42.75	40.59
Unsecured, considered doubtful	4.16	4.16
Less: Provision for doubtful debts	(4.16)	(4.16)
	42.75	40.59
(b) Other trade receivables		
Unsecured, considered good		
Due from related party	4.36	36.56
Others	78.78	104.55
	83.14	141.11
Total	125.89	181.70

Note 17 - Cash and cash equivalents

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
Cash and cash equivalents		
Balances with banks	1.13	0.53
Cash on hand	0.07	0.05
Bank deposits	0.14	0.14
Total¹	1.34	0.72

1. Of the above, the balance that meets the definition of Cash and cash equivalents as per Accounting Standard 3: Cash Flow statement	1.20	0.58
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Note 18 - Short term loans and advances

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
Balance with central excise authorities		
Unsecured, considered good	9.40	0.62
Security deposits	0.16	4.62
Advance to suppliers and contractors	205.30	172.28
Advances to employees	1.80	1.73
Prepaid expenses	19.12	15.95
Due from related parties	0.08	-
Export incentive receivable	5.99	2.11
Claims and other receivables ¹	54.04	54.90
Fair value of derivative assets	0.90	28.39
Total	296.77	280.60

1. Claims and other receivables includes claims recoverable from Madhya Pradesh Electricity Board (MPEB)/Chhattisgarh State Electricity Board (CSEB) amounting to Rs. 10.08 crores (2013: Rs. 10.08 crores), which are disputed by them. The Company is also disputing the claim for Electricity duty/surcharge made by MPEB/CSEB amounting to Rs. 10.43 crores (2013: Rs. 10.18 crores) . The net amount recoverable/payable can be ascertained on settlement of the disputes.

Note 19 - Other current assets

Particulars	(Rupees in Crores)	
	March 31, 2014	March 31, 2013
Unamortised expenses	3.14	-
Total	3.14	-



(Rupees in Crores)

Particulars	Year ended March 31,	
	2014	2013
Sale of products (gross)	4,005.89	4,288.02
Export Incentives	6.03	2.26
Other operating revenue:		
(i) Scrap sales	19.98	23.00
(ii) Unclaimed liabilities written back (net)	0.33	1.70
(iii) Miscellaneous income	60.13	14.29
Revenue from operation (gross)	4,092.36	4,329.27
Less Excise duty on revenue from operation	(420.62)	(412.55)
Revenue from operation (net)	3,671.74	3,916.72

Description of products sold:

Particulars	Year ended March 31,	
	2014	2013
Aluminium Ingot, Billets, Slabs, Bus bar, Alloy Ingots	468.87	104.41
Wire rods	2,486.99	2,647.93
Rolled products	831.03	974.29
By product	9.08	7.70
Power wheeling	147.70	494.74
Alumina	-	45.02
Others	62.22	13.93
Total	4,005.89	4,288.02

(Rupees in Crores)

Particulars	Year ended March 31,	
	2014	2013
Interest Income		
(i) Deposits with bank	1.29	-
(ii) Others	17.30	22.48
Profit on sale of current investments	1.90	0.85
Rent	1.77	3.54
Transfer from deferred government grant	0.19	0.01
Provision written back	-	9.63
Total	22.45	36.51

Note 22A- Cost of materials consumed (Rupees in Crores)

Particulars	Year ended March 31,	
	2014	2013
Alumina ¹	1,154.85	1,063.59
C.T. Pitch	86.76	86.30
C.P. Coke	254.56	227.46
Aluminium fluoride	39.54	43.55
Others	28.20	27.16
Less: Capitalised for projects	(30.58)	(5.20)
Total	1,533.33	1,442.86

1. Alumina cost includes processing charges for the year Rs. 204.50 cr (2013: Rs. 391.82 cr)

Note 22B- Purchases of Stock-in-Trade (Rupees in Crores)

Particulars	Year ended March 31,	
	2014	2013
Alumina	-	45.02

Note 23 - Changes in inventories of finished goods, work-in-progress and stock-in-trade (Rupees in Crores)

Particulars	Year ended March 31,	
	2014	2013
Opening Stock:		
Finished goods	5.63	0.89
Work in progress	127.31	117.58
By products	0.87	1.48
	133.81	119.95
Closing Stock		
Finished goods	4.81	5.63
Work in progress	155.25	127.31
By products	0.61	0.87
	160.67	133.81
Total	(26.86)	(13.86)



(Rupees in Crores)		
Particulars	Year ended March 31,	
	2014	2013
Note 24 - Employee benefits expense		
(a) Salaries and wages (refer note no.40)	251.74	245.25
(b) Contributions to provident and other funds	31.08	34.75
(c) Staff welfare expenses	42.50	42.42
Total	325.32	322.42

(Rupees In Crores)		
Particulars	Year ended March 31,	
	2014	2013
Note 25 - Finance cost		
Interest expense		
(i) on loans	59.09	40.17
(ii) on others	11.73	7.23
Net loss on foreign currency transactions and translation (considered as finance cost)	20.89	12.14
Bank charges	0.59	0.56
Total	92.30	60.10

(Rupees in Crores)		
Particulars	Year ended March 31,	
	2014	2013
Note 26 - Other expenses		
Consumption of stores and spare parts	108.09	98.34
Power and fuel	1,015.61	1,249.27
Machinery repairs	129.84	139.17
Building repairs	8.04	6.85
Other repairs	23.63	15.62
Excise duty ¹	(0.07)	0.82
Other manufacturing and operating expenses	26.91	24.57
Rent	0.47	0.37
Rates and taxes	5.65	5.30
Insurance	8.37	8.11
Conveyance and travelling expenses	11.79	10.57
Loss on sale of fixed assets	4.00	8.96
Directors' sitting fees	0.05	0.04
Bad debts/advances/claims written off	-	1.07
Payments to auditors ²	1.10	1.05
Net loss on foreign currency transactions and translation (other than considered as finance cost)	32.59	30.59
Consultants and professional fees	25.13	21.95
Contribution to Cancer Research Hospital (VMRF) ³	5.64	25.94
Advertisement and publicity	5.76	5.43
Carriage outward	33.55	25.36
Packing expenses	6.97	5.49
Other selling expenses	4.41	3.40
Cash discount	0.28	0.22
Power scheduling charges	32.76	54.81
Others	33.40	35.63
Total	1,523.97	1,778.93

Year ended March 31,		
	2014	2013
1. Excise duty		
Difference between closing and opening stock	(0.18)	0.62
Shortages, etc.	0.11	0.20
Total	(0.07)	0.82

Year ended March 31,		
	2014	2013
2. Payments to auditors		
As Auditor - for statutory audit and limited reviews	0.53	0.53
For taxation matters	0.14	0.09
For other services	0.39	0.39
Reimbursement of expenses	0.04	0.04
Total	1.10	1.05
Service tax (including cess) on above	0.13*	0.13*
*Subject to cenvat credit		

(Rupees In Crores)		
Particulars	Year ended March 31,	
	2014	2013
Note 27 - Current tax		
Current tax		
For the year	3.59	7.97
For earlier years	(0.29)	(3.77)
Net Current Tax	3.30	4.20

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Note 12 - Fixed Assets

	Gross Block				Accumulated Depreciation / Amortisation			Net Block	
	Balance As at April 1, 2013	Additions / adjustments	Deductions / adjustments	Balance As at March 31, 2014	Balance As at April 1, 2013	Charge for the year	Deductions / adjustments	Balance As at March 31, 2014	Balance As at March 31, 2014
Fixed Assets									
Tangible Assets									
Freehold land	4.93	-	-	4.93	-	-	-	-	4.93
(Previous Year)	4.93	-	-	4.93	-	-	-	-	4.93
Leasehold land	34.58	4.90	-	39.48	28.90	0.79	-	29.69	9.79
(Previous Year)	34.23	34.58	-	68.81	27.09	0.91	-	28.00	5.68
Buildings	649.99	9.14	-	659.13	324.17	26.72	-	350.89	308.24
(Previous Year)	644.08	5.91	-	649.99	264.89	28.28	-	324.17	325.82
Railway siding	54.33	-	-	54.33	34.21	2.77	-	36.98	17.35
(Previous Year)	54.33	-	-	54.33	30.99	3.22	-	34.21	20.12
Plant and equipment	4,362.37	23.49	9.31	4,376.55	2,976.19	193.68	4.80	3,165.07	1,211.48
(Previous Year)	4,226.80	160.46	24.89	4,362.37	2,768.79	222.48	15.06	2,976.19	1,386.18
Furniture and fixtures	17.71	0.18	-	17.89	10.02	1.40	-	11.42	7.69
(Previous Year)	17.05	0.66	-	17.71	8.82	1.70	-	10.02	7.69
Vehicles	6.48	0.23	0.38	6.33	3.57	0.50	0.14	3.93	2.40
(Previous Year)	5.44	1.39	0.35	6.48	3.28	0.40	0.11	3.57	2.91
Office equipment	30.83	1.11	0.01	31.93	25.10	2.14	-	27.24	4.69
(Previous Year)	29.51	1.69	0.37	30.83	22.84	2.60	0.34	25.10	5.73
Mine development	0.39	-	-	0.39	0.39	-	-	0.39	-
(Previous Year)	0.39	-	-	0.39	0.39	-	-	0.39	-
Asset held for sale	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-	-	-	-
Plant and equipment	2.01	-	3.05	2.01	2.90	-	2.90	-	0.15
(Previous Year)	17.42	-	15.41	2.01	1.85	-	-	1.85	0.16
Total	5,163.62	39.05	9.70	5,192.97	3,404.40	228.00	4.94	3,627.46	1,565.51
Previous Year	5,037.23	170.46	44.07	5,163.62	3,176.79	260.59	32.93	3,404.40	1,759.22
Intangible Assets									
Computer Software	7.88	-	-	7.88	0.57	2.25	-	2.82	7.31
Total	7.88	-	-	7.88	0.57	2.25	-	2.82	7.31
Previous Year	5,171.50	39.05	9.70	5,200.85	3,404.97	230.25	4.94	3,630.28	1,766.53
Grand Total	5,037.23	178.34	44.07	5,171.50	3,176.79	267.16	32.88	3,404.97	1,766.53
Previous Year	5,037.23	178.34	44.07	5,171.50	3,176.79	267.16	32.88	3,404.97	1,766.53

(a) Foreign Currency Transactions
Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.
Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Pursuant to the adoption by the Company of the notification of the Companies (Accounting Standards) Amendment Rules 2006 on March 31, 2009, and exercise of the option prescribed therein, the Company has reassessed and recomputed exchange differences from April 1, 2007 relating to long term monetary items as under:

(i) in so far as they relate to the acquisition of a depreciable capital asset added to/ deducted from the cost of the asset and depreciated over the balance life of the asset
(ii) in other cases accumulated such differences in "Foreign Currency Monetary Item Translation Difference Account" and amortised such difference to the Statement of Profit and Loss over the balance life of the long term monetary item or March 31, 2020, whichever is shorter, though there are no such items.
Consequently, the profit for the year, fixed assets (Capital work-in-progress) and reserves are higher by Rs. 304.28 cr (2013 higher by Rs. 254.12 cr) each.

(b) The land transferred to the Company by National Thermal Power Corporation Ltd. (NTPC) vide agreement dated June 20, 2002 comprising of 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.

(c) 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 of the same.

(d) Plant and machinery includes assets having carrying value of Rs. 113.30 cr (2013: Rs. 119.92 cr) pertaining to 270 MW captive power plant which has been installed at the premises of National Thermal Power Corporation Ltd. in view of convenience of operations.

(e) 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 litigation 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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	(Rupees in Crores)	
	2014	2013
28 Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances),	439.88	621.99
29 Contingent Liabilities :		
a) Claims against the company not acknowledged as debts are as follows :		
i) Relating to Energy Development Cess claimed by the Government of Chhattisgarh - matter pending final hearing by the Supreme Court for Special Leave Petition filed by the Government of Chhattisgarh.*	437.94	394.71
ii) Relating to Suppliers and Contractors - Matter pending in Court / arbitration.*	30.25	167.86
iii) Relating to customers under contractual arrangements - Matter pending with court.*	34.10	37.65
iv) Relating to Renewable energy purchase obligation - The Company had initially obtained stay order from the Hon'ble High Court of Chhattisgarh which was later vacated giving the Company liberty to approach the Hon'ble High Court in case any coercive action is taken.*	100.51	56.88
v) 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.)*	0.53	228.24
c) Custom duty against fulfillment of export obligation (Also refer note 30)	835.78	834.92

* Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

30 The Company has export obligations of Rs. 6,684.12 cr (2013: Rs. 6,677.25 cr) against import under Export Promotion Capital Goods Scheme.

31 During the financial year 2009-10, the Company has received a demand from Chief Electrical Inspector, Government of Chhattisgarh to pay Rs. 240.43 cr on account of electricity duty on generation of power of 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 Chief Electrical Inspector is misconceived in law. The amount for the period subsequent to 31 March 2009 till 31 March 2014 amounts to Rs. 323.55 crores. Therefore, based on the grounds stated above, the Company has neither recognised a provision nor disclosed as a contingent liability considering the possibility of an outflow of resources embodying economic benefits as remote.

32 The non fund based facility utilized from banks Rs. 1,757.13 cr (2013: Rs. 1,861.62 cr) is secured by charge on current assets and fixed assets and lien on fixed deposit amounting to Rs. 0.14 cr (2013: Rs. 0.14 cr) .

33 The research and development expenses charged to statement of profit and loss account (including depreciation Rs. 0.98 cr (2013: 0.96 cr)) aggregates to Rs. 2.30 cr (2013: Rs. 2.91 cr).

34 Pursuant to the merger as stated in note 3 (ii), the Company has aligned its accounting policy with respect to the Holding Company to partially adopt Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement, to the extent the provisions of AS-30 do not contravene the notified Accounting Standards. Consequently, the Assets are higher by Rs. 15.36 crores, Liabilities higher by Rs. 15.74 crores, profit for the year lower by Rs. 0.38 crores and Reserves and surplus lower by Rs. 0.38 crores.



35 Capitalised work-in-progress includes following expenditures (net) charged during the year :

<u>Expenses</u>	(Rupees in Crores)	
	2014	2013
Cost of materials consumed	30.58	5.20
Power and fuel	27.95	13.52
Consumption of stores and spare parts	1.02	0.29
Machinery repairs	5.67	4.21
Other manufacturing and operating expenses	-	0.25
Employee benefits expense	39.39	38.34
Finance Cost	230.03	179.52
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	198.70	219.52
Net gain / loss on foreign currency transactions and translation (other than considered as finance cost)	105.58	34.60
Other Expenses	5.15	5.85
Total	644.07	501.30
Income		
Preoperative income:		
-- Sales/Other Income	12.10	2.82
-- Interest -others	-	4.95
Total	13.10	7.77
Expenditure (net)	630.97	493.53

36 The major components of the deferred tax are :

	(Rupees in Crores)	
	2014	2013
Deferred tax liability		
Depreciation	170.89	186.80
Hedging Reserve	0.29	5.05
	171.18	191.85
Deferred tax asset		
On employee benefits	55.50	59.80
Others	15.75	1.05
	71.25	60.85
	99.93	131.00

37 Earnings per Share (EPS) :

Particulars	2014	2013
Net profit after tax for the period (Rs in Crores)	38.88	58.38
Weighted number of ordinary shares for basic EPS	22,06,24,500	22,06,24,500
Nominal value of ordinary share (in Rs. per share)	10	10
Basic and Diluted earnings for ordinary shares (in Rs. per share)	1.76	2.65

38 The Company, in terms of a memorandum of understanding signed with Chhattisgarh Government, commenced construction of its 1200 MW power plant, comprising of four sub-units of 300 MW each. The power plant is to be an integrated facility from which the Company intends that power generated from two of the units will be sold under appropriate commercial arrangements until required for captive use at a later date, while power from the other two units will be used for captive consumption for production of aluminium. In the meanwhile, Company's application for consent to operate is being considered by the Chhattisgarh Environment Conservation Board.

39 The net difference in foreign exchange debited to the statement of profit and loss is Rs. 53.48 Crores (2013: debited Rs. 42.73 Crores)

40 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 Vedanta Resources Long-Term Incentive Plan ("LTIP") and Employee Share Ownership Plan ("ESOP").

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant. Under this scheme, initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapses.

Vedanta has also granted a ESOP schemes 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. During the year, Vedanta has granted ESOP schemes 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 from the date of grant with 70% vesting based on the achievement of business performance and the remaining 30% based on continued employment with the group till the end of third year. Under this scheme, Vedanta is obligated to issue the shares.

Further, in accordance with the terms of agreement between Vedanta and Sesa Sterlite, on the grant date fair value of the awards is recovered by Vedanta from Sesa Sterlite.

Amount recovered by Vedanta and recognised by the company in the statement of profit and loss for the financial year ended March 31, 2014 was Rs 21.24 Crores (2013: Rs 17.08 Crores). The Company considers these amounts as not material and accordingly has not provided further disclosures.



41 Employee benefit:**(a) Defined Contribution Plans**

The Company offers its employees benefits under defined contribution plans in the form of provident fund and family pension scheme. Provident fund and family pension scheme cover all employees on roll. Contributions are paid during the year into separate funds under certain statutory / fiduciary type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund, 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 prescribed in the respective scheme.

A sum of Rs. 16.32 cr (2013: Rs. 15.52 cr) has been charged to the Statement of profit and loss in this respect, the components of which are tabulated as below

	2014	2013
Defined contribution plans		
Provident fund	14.34	13.37
Family Pension Scheme	1.98	2.15

The Company's provident fund is exempted under section 17 of Employees Provident Fund Act, 1952. Conditions for grant of exemption stipulates 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 a Guidance Note from The Institute of Actuaries – Valuation of Interest Guarantees on Exempt Provident Funds under AS 15 (Revised 2005) - for actuarially ascertaining such interest liability, there is no interest shortfall that is required to be met by the Company as of March 31, 2014. Having regard to the assets of the Fund and the return in the investments, the Company also does not expect any deficiency in the foreseeable future and hence operates the Provident Fund Scheme as a defined contribution plan.

(b) Gratuity- long term defined benefit plan:

In accordance with AS 15 (revised 2005), the company has provided the liability on actuarial basis. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of profit and loss. As per the actuarial certificate (on which the auditors have relied), the details of the employees' benefits plan with respect to gratuity are:

Movement in present value of defined benefit obligation

	2014	2013	2012	2011	2010
Obligation at the beginning of the year	112.62	102.97	94.02	53.65	56.48
Current service cost	3.85	3.80	3.69	2.14	2.29
Interest cost	8.30	8.11	7.14	3.10	3.81
Plan amendments cost	-	-	-	39.08	-
Actuarial loss/(gain)	5.16	10.62	7.69	20.81	2.54
Benefits paid	(17.60)	(12.88)	(9.57)	(24.76)	(11.47)
Obligation at the end of the year	112.33	112.62	102.97	94.02	53.65

Movement in present value of plan assets

	2014	2013	2012	2011	2010
Fair value at the beginning of the year	-	0.89	7.63	-	-
Expected returns on plan assets	-	0.04	0.38	-	-
Employees' contribution	-	-	-	17.34	11.47
Contribution	-	-	-	0.08	1.11
Actuarial gain/(loss)	-	(0.04)	0.08	(10.82)	(11.47)
Benefits paid	-	(0.89)	(7.20)	7.63	-
Fair value at the end of the period	-	-	0.89	(0.82)	(11.47)

Amount recognised in the balance sheet

	2014	2013	2012	2011	2010
Present value of obligations at the end of the year	112.33	112.62	102.97	94.02	53.65
Less: Fair value of plan assets at the end of the year	-	-	0.89	7.63	-
Net liability recognised in the balance sheet	(112.33)	(112.62)	(102.08)	(86.39)	(53.65)

(includes current liability Rs. 12.45 cr (2013: Rs. 10.59 cr)

Amount recognised in the Statement of profit and loss

	2014	2013	2012	2011	2010
Current service cost	3.85	3.80	3.69	2.14	2.29
Interest cost	8.30	8.11	7.14	3.10	3.81
Expected return on plan assets	-	(0.04)	(0.38)	-	-
Net actuarial (gain)/loss recognised in the period	5.16	10.67	7.61	19.70	2.54
Past service costs	-	-	-	39.08	-
Total	17.31	22.54	18.06	64.02	8.64



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Actuarial assumptions #

	2014	2013	2012	2011	2010
Salary growth :-	5.0%	5.0%	5.0%	5.0%	5.0%
Executive	3.0%	3.0%	3.0%	3.0%	3.0%
Non Executive	9.0%	8.0%	8.4%	8.0%	7.5%
Discount rate	NA	9.4%	9.4%	9.4%	NA
Expected return on plan assets	Indian Assured Lives (2006-08) modified ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
Mortality					

Experience adjustments

	2014	2013	2012	2011	2010
Present value of the obligation	(112.33)	(112.63)	(102.97)	(94.02)	(53.65)
Fair value of plan assets			0.89	7.63	-
Surplus / (deficit) in the plan	(112.63)	(112.63)	(102.08)	(86.39)	(53.65)
Experience adjustment on plan liabilities	(10.49)	(8.54)	(9.73)	(23.35)	(2.54)
Experience adjustment on plan assets		(0.04)	0.08	1.11	-
Actuarial Gain/(Loss) due to change on assumptions	5.33	(2.09)	2.04	2.54	-

Expected returns on plan assets

	2014	2013	2012	2011	2010
Class of assets					
Life Insurance Corporation			0.89	7.63	-
Fair Value of Asset	NA	9.4%	9.4%	9.4%	-
Expected Return					

The plan assets of the Company, if any, are Insurer Managed Funds. The same is managed by the Life Insurance Corporation of India, the details of investment relating to these assets is not available with the Company. Hence the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

(c) Post Employment Medical Benefits

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.

Movement in present value of defined benefit obligation

	2014	2013	2012	2011	2010
Obligation at the beginning of the year	13.67	12.13	10.84	6.38	4.29
Current service cost	0.02	0.02	0.02	0.02	0.02
Interest cost	1.06	0.99	0.84	0.46	0.31
Plan amendments cost	-	-	-	0.62	-
Actuarial loss/(gain)	1.16	1.22	1.08	3.90	2.12
Benefits paid	(0.88)	(0.69)	(0.65)	(0.54)	(0.36)
Obligation at the end of the year	15.03	13.67	12.13	10.84	6.38

Movement in present value of plan assets

	2014	2013	2012	2011	2010
Fair value at the beginning of the year	-	-	-	-	-
Expected returns on plan assets	-	-	-	-	-
Employees' contribution	-	-	-	-	-
Contribution	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-
Benefits paid	-	-	-	-	-
Fair value at the end of the period	-	-	-	-	-



Amount recognised in the balance sheet

	2014	2013	2012	2011	2010
Present value of obligations at the end of the year	15.03	13.67	12.13	10.84	6.38
Less: Fair value of plan assets at the end of the year	(15.03)	(13.67)	(12.13)	(10.84)	(6.38)
Funded/(Unfunded) status	(15.03)	(13.67)	(12.13)	(10.84)	(6.38)
Net liability recognised in the balance sheet					
(includes current liability Rs. 1.19 cr (2013: Rs. 1.05 cr)					

Amount recognised in the Statement of profit and loss

	2014	2013	2012	2011	2010
Current service cost	0.02	0.02	0.02	0.02	0.02
Interest cost	1.06	0.99	0.84	0.46	0.31
Expected return on plan assets	1.16	1.22	1.08	3.90	2.12
Net actuarial (gain)/loss recognised in the period	2.24	2.23	1.94	5.00	2.45
Past service costs	-	-	-	-	-
Total					

Actuarial assumptions #

	2014	2013	2012	2011	2010
Salary growth :-					
Executive	5.0%	5.0%	5.0%	5.0%	5.0%
Non Executive	3.0%	3.0%	3.0%	3.0%	3.0%
Discount rate	9.0%	8.0%	8.4%	8.0%	7.5%
Expected return on plan assets	NA	NA	NA	NA	NA
Medical Inflation	5%	5%	5%	5%	5%
In Service Mortality	Indian Assured Lives (2006-08) modified ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate

Post Retirement Mortality

	2014	2013	2012	2011	2010
LIC a (96-98) ultimate	LIC a (96-98) ultimate	LIC a (96-98) ultimate	LIC a (96-98) ultimate	LIC a (96-98) ultimate	LIC a (96-98) ultimate

Experience adjustments

	2014	2013	2012	2011	2010
Present value of the obligation	(15.03)	(13.67)	(12.13)	(10.84)	(6.38)
Fair value of plan assets	-	-	-	-	-
Surplus / deficit in the plan	(15.03)	(13.67)	(12.13)	(10.84)	(6.38)
Experience adjustment on plan liabilities	(2.60)	(0.72)	(1.55)	(4.44)	(2.12)
Experience adjustment on plan assets	-	-	-	-	-
Actuarial Gain/(Loss) due to change on assumptions	1.44	(0.49)	0.47	0.54	-

Summary of Sensitivity Results

	March 31, 2014	March 31, 2013
Medical inflation	4%	4%
Liability as at 31st March 2014	14.52	13.12
Service Cost + Interest Cost	1.03	0.97

(d) Compensated Absences

The company has provided for the liability on the basis of actuarial valuation.

The estimates of future salary increases considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is actuarially determined.



42 Segment Reporting :

a) Information based on the primary business segment

(Rupees In Crores)

Particulars	2013-14				2012-13			
	Aluminium	Power	Eliminations	Total	Aluminium	Power	Eliminations	Total
Revenue								
External sales	3,447.42	143.88		3,591.30	3,425.73	452.00		3,877.73
Inter segment sales		221.40	(221.40)	-		53.65	(53.65)	-
Enterprise revenue	3,447.42	365.28	(221.40)	3,591.30	3,425.73	505.65	(53.65)	3,877.73
Results								
Segment result	50.54	35.19		85.73	19.08	61.11		80.19
Operating profit / (loss)	50.54	35.19		85.73	19.08	61.11		80.19
Less : Interest expenses				92.30				60.10
Add : Interest and income from investments				22.45				36.51
Less : Income tax				(23.00)				(1.78)
Net profit / (loss)	50.54	35.19		38.88	19.08	61.11		58.38
Segment assets	10,808.16	280.00		11,088.16	10,165.64	308.76		10,474.40
Unallocated corporate assets				38.39				21.36
Total assets	10,808.16	280.00		11,126.55	10,165.64	308.76		10,495.76
Segment liabilities	1,560.45	245.35		1,805.80	1,443.89	243.97		1,687.86
Unallocated corporate liabilities				4,952.08				4,468.66
Total liabilities	1,560.45	245.35		6,757.88	1,443.89	243.97		6,156.52
Capital expenditures	880.74	0.76		881.50	1,126.92	1.94		1,128.86
Depreciation and amortisation expense	221.52	8.73		230.25	252.24	8.92		261.16
Significant non-cash expenses other than depreciation								

b) Information based on secondary segment (geographical segment)

(Rupees in Crores)

	2013-14	2012-13
Revenue by geographical segment based on location of customers		
India	3,410.19	3,785.52
Outside India	181.11	92.21
Total	3,591.30	3,877.73
Carrying amount of segment assets based on location of assets		
India	11,126.55	10,495.76
Outside India	-	-
Total	11,126.55	10,495.76
Capital expenditure		
India	881.50	1,128.86
Outside India	-	-

Reconciliation between segment revenue and enterprise revenue

(Rupees in Crores)

Particulars	2013-14	2012-13
Segment Revenue		
Aluminium	3,447.42	3,425.73
Power	365.28	505.65
Elimination	(221.40)	(53.65)
Total Segment Revenue	3,591.30	3,877.73
Enterprise revenue		
Sale of products and export incentives	4,011.92	4,290.28
Less Excise Duty	(420.62)	(412.55)
Total Enterprise Revenue	3,591.30	3,877.73

The Company has disclosed business segment as the primary segment. The Company is collectively organised into following business segments namely:

(a) Aluminium

(b) Power

Segments have been identified and reported taking into account the nature of the product and services, the organisational structure and internal financial reporting system.

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.



43 A. Names of related parties and description of relation :

(i) Holding companies:	Immediate: Sesa Sterile Limited (SLL) (Erambille Sterile Industries (Ino) Limited (SIL)) Ultimate in U.K: Vedanta Resources Plc
(ii) Fellow subsidiaries	Hindustan Zinc Limited (HZL) Tawandi Seso Power Limited (TSPL) Vzag General Cargo Berth Pvt. Limited Sesa Goa Limited ('Sesa Goa') Sterile Energy Limited (SEL) Madras Aluminium Company Limited* Vedanta Aluminium Ltd. (VAL)*
(iii) Key Personnel	Mr. Gunjan Gupta, CEO and Whole-time Director** Mr. Ramesh Nair, CEO and Whole-time Director***
(iv) Others	Anil Aggarwal Foundation (AAFT) (formerly, Vedanta, Foundation) Vedanta Medical Research Foundation (VMRF)**** Sterile Technologies Limited (STL)

B. Transactions with related parties:

Nature of transactions	SLL				Fellow subsidiaries								Others				Total Amount								
	2014		2013		2014		2013		2014		2013		2014		2013		2014	2013							
	SEL	HZL	SEL	HZL	SEL	Sesa Goa	MALCO	VAL	TSPL	VGCB	HZL	SEL	Sesa Goa	MALCO	VAL	TSPL			VMRF	STL	AAFT	VMRF	STL		
-Purchase of goods [Includes conversion charges of Rs. 204.50 Cr. (2013 : 331.82 Cr)]	-	-	-	-	-	354.86	-	-	-	-	-	-	-	-	851.86	-	-	-	-	-	-	-	364.86	651.86	
-Purchase of capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-Personnel services and appointment of common group expenses	79.99	82.71	0.05	0.01	0.02	0.05	4.72	0.04	0.25	-	0.25	0.01	-	11.18	0.07	-	-	-	-	-	-	-	84.88	94.23	
-Donation given and CSR contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.12	5.64	25.94	-	26.05	
-Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.14	
-Recovery of Personnel services	2.46	1.54	@	-	-	@	0.79	0.10	0.03	0.10	0.03	0.01	-	-	7.77	0.01	-	-	-	-	-	-	-	3.45	
-Sale of goods	-	-	-	-	-	-	1.43	-	10.90	-	10.90	-	-	-	47.05	-	-	-	-	-	39.88	-	-	61.18	
-Material given on loan basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.16	-	-	-	-	-	-	-	-	25.16	
-Material received back, given on loan basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.16	-	-	-	-	-	-	-	-	25.16	
-Material repaid back, taken on loan basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-Lease rent received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.95	-	-	-	-	-	-	-	-	-	0.95
-Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-Advance given to	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-Debit balance as at March 31	-	-	-	2.98	@	-	-	0.05	@	2.43	-	-	-	-	30.21	-	-	-	-	-	1.38	-	-	3.92	
-Credit balance as at March 31	53.92	34.52	0.01	@	-	59.86	-	-	0.02	-	-	@	-	47.43	0.02	-	-	-	-	-	-	-	-	113.81	

* Pursuant to the merger as stated in note 3(i), these entities have merged in holding company Sesa Sterile Limited w.e.f. Aug 17, 2013

** Mr. Gunjan Gupta ceases to be CEO and whole time director w.e.f. 21.05.2013

*** Mr. Ramesh Nair appointed as CEO w.e.f. June 3, 2013. He was appointed as a whole time director w.e.f. 17.10.2013

**** contribution made by BALCO as part of its Corporate Social Responsibility initiative in healthcare.

@ amount less than one lac rupees

(b) Key Management Personnel
Managerial Remuneration

	2014	2013
	1.93	2.57

The company is required to pay managerial remuneration in accordance with the limits prescribed by section 198 and 309 read with Schedule XIII of the Companies Act, 1956. During the year remuneration paid to the CEO and Whole-time Director is in excess of the prescribed limit by Rs 0.93 crores (2013 : NIL).

The necessary approvals from the shareholders of the Company and the Central Government for such excess remuneration is in the process of being obtained by the Company.



44 Derivative transactions :

The Company uses foreign currency forward contracts to hedge its exposure in foreign currency. The Company does not use the forward contracts for trading or speculative purposes. The information on derivative transactions outstanding as at the year end are as follows:

a) Forward exchange contracts

Currency	2014			2013				
	Rupees in Crores	Foreign Currency in Million	Buy / Sell	Cross Currency	Rupees in Crores	Foreign Currency in Million	Buy / Sell	Cross Currency
EURO	38.26	4.63	Buy	USD	61.11	8.64	Buy	USD
EURO	0.39	0.05	Buy	INR	0.55	0.08	Buy	INR
GBP	2.71	0.27	Buy	USD	2.60	0.31	Buy	USD
AUD	0.73	0.13	Buy	USD	1.50	0.26	Buy	USD
AUD	0.00	0.00	Buy	INR	0.38	0.07	Buy	INR
USD	1696.32	261.66	Buy	INR	1172.60	203.99	Buy	INR
CAD	0.28	0.05	Buy	INR	0.27	0.05	Buy	INR
CAD	3.71	0.68	Buy	USD	13.32	2.49	Buy	USD

ii. Commodity

Commodity	2014	2013
Forward / Futures	Sale	Sale
Aluminium (MT)	11950	23575

b) Unhedged foreign currency exposures

i. Amount receivable in foreign currency on account of the following:

Receivable towards	2014		2013	
	Rupees in Crores	Foreign currency in USD Million	Rupees in Crores	Foreign currency in USD Million
Export of goods	0.61	0.10	1.34	0.25

ii. Amount payable in foreign currency on account of the following:

Payable towards	2014		2013	
	Rupees in Crores	Foreign currency in USD Million	Rupees in Crores	Foreign currency in USD Million
Import of goods and services	526.26	87.56	755.40	138.89
Interest	-	-	12.40	2.28
Loans	1361.30	226.51	1848.49	339.86



45 Value of raw materials consumed : (Rupees In Crores)

Particulars	2014		2013	
	%	Value	%	Value
Indigenous	32.22	493.97	69.71	1,005.88
Imported	67.78	1,039.36	30.29	436.98
	100.00	1,533.33	100.00	1,442.86

46 Value of components, stores and spare parts consumed : (Rupees In Crores)

Particulars	2014		2013	
	%	Value	%	Value
Indigenous	70.49	97.91	66.62	100.55
Imported	29.51	41.00	33.38	50.38
	100.00	138.91	100.00	150.93

Components, stores and spare parts consumed debited under various heads in the Statement of profit and loss – Rs. 138.91 cr (2013: Rs. 150.93 cr).

47 CIF value of Imports : (Rupees In Crores)

Particulars	2014	2013
	Raw materials	855.43
Components, stores and spare parts	23.29	46.77
Capital goods	37.05	372.10
	915.77	1,009.58

48 Expenditure in foreign currency : (Rupees In Crores)

Particulars	2014	2013
	Professional and consultation fees	1.82
Interest	78.75	88.58
Travelling expenses	1.20	0.85
	81.77	96.18

49 Earning in foreign exchange : (Rupees In Crores)

Particulars	2014	2013
	FOB value of exports	177.41
	177.41	90.55

50 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, 2014. 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 .

51 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

