

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BHARAT ALUMINIUM COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **BHARAT ALUMINIUM COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financials statements – Refer Note 29 to the 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal
Partner
(Membership No. 87104)

Mumbai, April 20, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories (excluding inventories with third parties) were physically verified during the year by the Management at reasonable intervals. In respect of inventory lying with third parties, these have been confirmed by them.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the year, the Company did not have transactions in respect of sale of services. During the course of our audit we have not observed any major weaknesses in such internal control system.



- (vi) According to information and explanations given to us, the Company has not accepted any deposits from public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- (vii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (viii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and any other material statutory dues with the appropriate authorities.

There were no undisputed statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

- (b) Details of dues of Sales Tax, Excise Duty, Electricity Duty, Employees' State Insurance Royalty and Cess which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Name of the Statute	Period to which the amount relates	Nature of the Dues	Rs. in crores	Forum where Dispute is pending
Central Sales Tax Act, 1956	2002-03	Demand for sales tax	0.01	Deputy Appellate Commissioner
Total			0.01	
Local Sales Tax	2007-08	Dispute for VAT rebate on inputs used in power generated and sale	0.04	Additional Commissioner
	2008-09	Dispute for VAT rebate on inputs used in power generated and sale	0.05	Commercial Tax Tribunal
	2009-10	Dispute for VAT rebate on inputs used in power generated and sale	0.08	Additional Commissioner
West Bengal Value Added Tax Act, 2003	2007-08	Demand for payment of local sales tax	0.04	Additional Commissioner
Total			0.21	

Jh

Name of the Statute	Period to which the amount relates	Nature of the Dues	Rs. in crores	Forum where Dispute is pending
Central Excise Act, 1944	Varying period	Clearance to VSSC- Non eligibility to 64/95	0.28	CESTAT, New Delhi
Total			0.28	
The Chhattisgarh Upkar Adhiniyam, 1981	Varying period	Chhattisgarh Government claim towards energy development cess on captive power generation	450.91	Supreme Court
Total			450.91	
Madhya Pradesh Electricity Duty Act, 1949	Varying period	Surcharge on old dues	2.00	Chhattisgarh State Electricity Board
	June 05 to March 15	Electricity Duty on own generation including surcharge till date	654.20	Chief Electrical Inspector, Government of Chhattisgarh
Total			656.20	
Employees State Insurance Act, 1948	Varying period	ESIC contribution for employees and contractors	45.13	Employee Insurance Court, Korba
Total			45.13	

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xi) According to the information and explanations given to us and the records of the Company examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company.

Q

Deloitte
Haskins & Sells LLP

- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal
Partner
(Membership No. 87104)

Mumbai, April 20 2015

Bharat Aluminium Company Limited
Audited Balance Sheet as at March 31, 2015

(Rupees in Crores)

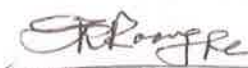
Particulars		Note No.	As at March 31, 2015	As at March 31, 2014
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	220.62	220.62
	(b) Reserves and surplus	4	4,149.75	4,148.05
2	Non-current liabilities			
	(a) Long-term borrowings	5	2,313.13	1,918.75
	(b) Deferred tax liabilities (net)	37	46.05	99.93
	(c) Other long-term liabilities	6	210.78	301.24
	(d) Long-term provisions	7	154.62	139.92
3	Current liabilities			
	(a) Short-term borrowings	8	2,693.20	1,993.46
	(b) Trade payables	9	601.75	343.61
	(c) Other current liabilities	10	1,384.35	1,940.05
	(d) Short-term provisions	11	20.15	20.92
	TOTAL		11,794.40	11,126.55
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	12	3,216.71	1,565.51
	(ii) Intangible assets	12	2.81	5.06
	(iii) Capital work-in-progress		7,106.40	8,382.18
	(b) Long-term loans and advances	13	267.30	225.46
	(c) Other non-current assets	14	38.98	46.33
2	Current assets			
	(a) Inventories	15	683.15	553.89
	(b) Trade receivables	16	74.21	91.79
	(c) Cash and Bank Balances	17	1.54	1.34
	(d) Short-term loans and advances	18	387.00	245.86
	(e) Other current assets	19	16.30	9.13
	TOTAL		11,794.40	11,126.55

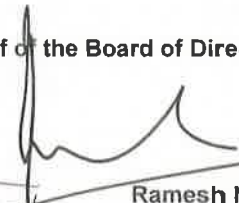
See accompanying note no. 1 to 55 forming part of the financial statements

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


SK Roongta
Director


Ramesh Nair
CEO & Whole Time Director


Dinesh Mantri
Chief Financial Officer


Rohit Sarda
Company Secretary

Place : Mumbai
Date : April 20, 2015

April 20, 2015

Bharat Aluminium Company Limited
Statement of Profit and loss for the year ended March 31, 2015

(Rupees in Crores)

Particulars		Note No	Year ended March 31, 2015	Year ended March 31, 2014
I.	Revenue from operations (gross)		5,287.11	4,092.36
	Less: Excise duty		(468.22)	(420.62)
	Revenue from operations (net)	20	4,818.89	3,671.74
II.	Other income	21	24.69	22.45
III.	Total Revenue (I + II)		4,843.58	3,694.19
IV.	Expenses:			
	Cost of materials consumed	22	1,738.11	1,533.33
	Purchases of Stock-in-Trade	23	350.03	-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(25.52)	(26.86)
	Power and Fuel		1,556.26	1,015.61
	Employee benefits expense	25	414.94	325.32
	Finance costs	26	155.96	92.30
	Depreciation and amortisation expense	12 & 52	235.62	230.25
	Other expenses	27	434.43	508.36
	Total expenses		4,859.83	3,678.31
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(16.25)	15.88
VI.	Exceptional item	40	29.41	-
VII.	Profit before tax (V-VI)		(45.66)	15.88
VIII.	Tax expense:			
	-Current tax	28	-	3.30
	-Deferred tax		(51.66)	(26.30)
IX.	Profit for the year (VI-VIII)		6.00	38.88
X.	Earnings per equity share (of Rs. 10/-each) Basic and Diluted (in Rs. per share)	38	0.27	1.76

See accompanying note no. 1 to 55 forming part of the financial statements

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

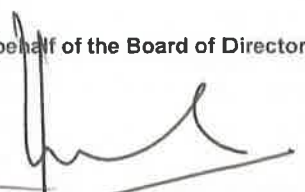

Jitendra Agarwal
Partner

Place : Mumbai
Date : April 20, 2015

For and on behalf of the Board of Directors


SK Roongta
Director


Dinesh Mantri
Chief Financial Officer
April 20, 2015


Ramesh Nair
CEO & Whole Time Director


Rohit
Rohit Sarma
Company Secretary

Bharat Aluminium Company Limited

Cash Flow Statement for the year ended March 31, 2015

(Rupees in crores)

	March 31, 2015		March 31, 2014	
A. Cash flow from operating activities				
Profit before tax		(45.66)		15.88
Adjusted for :				
- Depreciation and amortisation expense	235.62		230.25	
- Interest income	(20.54)		(18.59)	
- Finance cost	140.22		71.41	
- (Profit)/loss on sale of current investments	(0.62)		(1.90)	
- (Profit)/loss on sale of fixed assets (net)	1.95		4.00	
- Net loss on foreign currency transactions and translation	4.52		43.41	
- Coal Block Expenses	29.41		-	
- Bad debts/advances/claims written off	0.85		-	
- Unclaimed Liabilities/provisions written back (net)	(0.43)		(0.33)	
- Amount directly taken to reserves	(6.52)		(14.02)	
- Deferred government grant	-		(0.10)	
		384.26		314.04
Operating profit before working capital changes		338.60		329.92
Adjusted for :				
- (Increase)/Decrease in Trade receivables	17.65		55.80	
- (Increase)/Decrease in Inventories	(129.93)		(11.88)	
- (Increase)/Decrease in Long-term loans and advances	3.56		3.79	
- (Increase)/Decrease in Short-term loans and advances	(92.00)		(50.36)	
- (Increase)/Decrease in Other current assets	(10.05)		(0.00)	
- Increase/(Decrease) in Other Long-term liabilities	4.48		-	
- Increase/(Decrease) in Long-term provisions	14.70		(1.40)	
- Increase/(Decrease) in Trade payables	259.65		81.57	
- Increase/(Decrease) in Other current liabilities	(71.92)		83.10	
- Increase/(Decrease) in Short-term provisions	0.95		2.36	
		(2.90)		162.98
Cash generated from operations		335.70		492.90
Income taxes paid (net)		(4.22)		(1.96)
Net cash from operating activities		331.48		490.94
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advances		(522.28)		(458.16)
Sale of fixed assets		0.14		0.76
Purchases of current investments		(1,920.50)		(4,080.00)
Sale of current investments		1,921.32		4,081.90
Interest received		20.54		18.59
Bank balances not considered as cash and cash equivalents				
- Deposits placed		(26.53)		(26.56)
- Deposits matured		26.56		26.56
Net cash used in investing activities		(500.75)		(436.91)
C. Cash flow from financing activities				
Net proceeds from short term borrowings with maturity of 3 months or less		812.96		359.21
Proceeds from long-term borrowings		526.26		506.39
Proceeds from other-short term borrowings		1,203.33		931.40
Repayment of long-term borrowings		(665.71)		(829.71)
Repayment of other short-term borrowings		(1,325.27)		(746.04)
Interest and finance charges paid		(382.08)		(274.66)
Net cash from financing activities		169.49		(53.41)
Net (decrease) / increase in cash and cash equivalents		0.22		0.62
Cash and cash equivalents as at the beginning of the year		1.20		0.58
Cash and cash equivalents as at the end of the year		1.43		1.20
Reconciliation of Cash and cash equivalents with the balance sheet				
Cash and cash equivalents as per balance sheet (refer note 17)		1.54		1.34
Less:- Bank balances not considered as cash and cash equivalents		(0.11)		(0.14)
Cash and Bank balance as at the end of the year		1.43		1.20

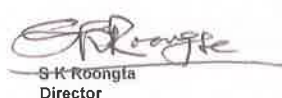
Notes:

- 1) Bank balances not considered as cash and cash equivalents consists of lien on fixed deposits amounting to Rs. 0.11 Cr (2014: Rs. 0.14 Cr)
- 2) Previous year's figures have been restated, wherever necessary to conform to this year's classification.

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


Himendra 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
April 20, 2015


Rohit
Company Secretary

Place : Mumbai
Date : April 20, 2015

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 (25% capacity is operational) with 1200 MW power plant project under commissioning 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 in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared as a going concern on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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.

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. Government grants received are 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 credited to Capital Work in Progress.

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) Tangible assets

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on assets pertaining to old unit (capitalised before March 1, 2005) has been provided on straight line method. For units capitalised after March 1, 2005, depreciation is provided on written down value method.

Depreciation on tangible fixed assets has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- i. Leasehold land (including land development expenses) is amortised over a period of the lease.
- ii. Plant and machinery includes rolling mill and furnaces depreciated over 30 years
- iii. 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.

(b) 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

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. 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 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.

L 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.

M 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.

N 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.



O 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.

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

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.

P 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 committee 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"

Q 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

- i. **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.
- ii. **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.
- iii. **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.
- iv. **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.
- v. **Termination benefits** are recognised as an expense when incurred.

R Cash Flow Statement

Cash flows are reported using indirect method as set out in Accounting Standard (AS) -3 "Cash Flow Statement", whereby profit / (loss) before extraordinary items and 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.

S Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss after tax (including the post tax effect of extraordinary items, if any) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split. For the purpose of calculating diluted earnings per share, the net profit or loss after tax (including the post tax effect of extraordinary items, if any) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

T 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.

U Voluntary Retirement Expenses

Voluntary retirement expenses are charged to the Statement of Profit and Loss in the year of occurrence.

V 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.

Note 3 - Share capital

(Rupees in Crores)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Rs.	Number of shares	Rs.
Authorised				
50,00,00,000 Equity shares of Rs.10 each	500,000,000	500.00	500,000,000	500.00
Issued, subscribed and fully Paid up				
Equity shares of Rs.10 each fully paid	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, 2015		As at March 31, 2014	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares outstanding at the beginning and end of the year	220,624,500	220.62	220,624,500	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 financial year 2014. Accordingly, Sesa Sterlite Limited became 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 March 31, 2015		As at March 31, 2014	
	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	112,518,495	51%	112,518,495	51%
b) Government of India	108,106,005	49%	108,106,005	49%
Total	220,624,500	100%	220,624,500	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, 2015	March 31, 2014
(a) Capital reserves		
Opening balance	9.20	9.20
Closing balance	9.20	9.20
(b) Debenture redemption reserve		
Opening balance	129.46	400.00
Less :Transfer to surplus in statement of profit and loss ¹	58.04	(270.54)
Closing balance	187.50	129.46
(c) General Reserve		
Opening balance	430.31	430.31
Closing balance	430.31	430.31
(d) Hedging Reserve		
Opening Balance	0.55	9.81
Add : Cash flow hedge transferred	3.21	(14.02)
Less : Deferred tax provided/reversed	(1.09)	4.76
Closing Balance	2.67	0.55
(e) Deferred government grant		
Opening balance	-	0.19
Less :Transferred to statement of profit and loss during the year	-	(0.19)
Closing balance	-	-
(f) Surplus in statement of profit and loss		
Opening balance	3,578.53	3,269.11
Add: Profit for the year	6.00	38.88
Less: Transfer from/(to) Debenture redemption reserve	(58.04)	270.54
Less: Depreciation transfer to retained earnings (refer Note 10 (a))	(9.73)	0.00
Less: Deferred tax provided/reversed	3.31	0.00
Closing balance	3,520.07	3,578.53
Total	4,149.75	4,148.05

Note:

1. As per General Circular no 04/2003 dated February 11, 2013 issued by Ministry of Corporate Affairs, Debenture Redemption Reserve is required to be maintained at 25%. Accordingly, an amount of Rs 58.04 Cr has been transferred to Debenture Redemption Reserve from surplus in statement of profit and loss. During the previous year Rs 270.54 Cr has been transferred to Surplus in statement of profit and loss from Debenture redemption reserve consequent to repayment.

Note 5 -Long-term borrowings

(Rupees In Crores)

Particulars	March 31, 2015	March 31, 2014
Secured		
(a) Non Convertible Debentures ^{1,2,3}	750.00	666.67
(b) External commercial borrowings from banks ^{4,5}	1,251.82	1,252.08
(c) Buyers' credit from banks ⁶	311.31	-
Total	2,313.13	1,918.75

Terms and conditions of long-term borrowings	March 31, 2015	March 31, 2014
1. 1667 (2014 : 3333) 12.25 % Non Convertible Debentures of Rs.10 lacs each redeemable at par in final last annual installment November 17, 2015. First installment is paid on November 18, 2013 and second on November 17, 2014. (Secured by first pari passu charge on the movable and immovable properties of the company)	-	166.67
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)	250.00	500.00
3. 5000 10.25% August 2017 Non Convertible Debentures of Rs 10 Lacs each redeemable at Par in single 1 installments on 07th August 2017 (Secured by First pari passu charge over Fixed Assets of the Company)	500.00	-
4. 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 290 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.	1,251.82	1,202.00
5. First Installment of External commercial borrowings from DBS Bank is paid on November 11, 2013, second installment is paid on November 25, 2014 and final instalment repayable on November 25, 2015 was prepaid on November 25, 2014. The rate of interest payable on this facility was 6 month LIBOR plus 345 basis points. The facility was secured by first pari passu charges on all movable fixed assets including plant & machinery related 1200 MW power project and 3.25 LTPA Smelter projects both present and future along with secured lenders.	-	50.08
6. 2015 : Buyers' credit from ICICI Bank is repayable from April 2016 to March 2017. The interest rate on these facilities is LIBOR plus 120 basis points. The facility is secured by exclusive charge on assets to be imported under the facilities (2014:Nil).	311.31	-
Total	2,313.13	1,918.75

Note 6 - Other Long-term liabilities

(Rupees in Crores)

Particulars	March 31, 2015	March 31, 2014
(a) Capital creditors	206.29	301.24
(b) Fair value of derivative liability	4.49	-
Total	210.78	301.24

Note 7 - Long-term provisions

(Rupees in Crores)

Particulars	March 31, 2015	March 31, 2014
Provision for employee benefits	154.62	139.92
Total	154.62	139.92

Note 8 - Short-term borrowings

(Rupees in Crores)

Particulars	March 31, 2015	March 31, 2014
Secured		
(a) Loans repayable on demand from Banks ¹	48.98	67.45
(b) Working capital loan ²	2.99	36.56
(c) Buyers' credit from banks ^{3,5}	251.86	262.93
(d) Export Packing Credit ⁴	-	49.00
	303.83	415.94
Unsecured		
(a) Buyers' credit from banks ⁶	404.37	457.52
(b) Commercial Paper ⁷	1,985.00	1,120.00
	2,389.37	1,577.52
Total	2,693.20	1,993.46

Terms and conditions of Short-term borrowings	March 31, 2015	March 31, 2014
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 10.54%. (2014 : 10.98%)	48.98	67.45
2. 2015: 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. Interest rate on working capital loan is 10.% p.a. (2014 : 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. Interest rate on working capital loan is 10.20% p.a.)	2.99	36.56
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.	222.64	231.46
4. 2015 : NIL (2014: 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	29.22	31.47
6. Buyers' credit from HDFC Bank, Yes Bank, Kotak Mahindra Bank and IndusInd Bank (unsecured)	404.37	457.52
7. 2015: Commercial Paper issued to Asset Management Companies on unsecured basis at average rate of interest of 8.95% (2014:9.47%) Maximum amount outstanding during the year Rs 2075 Cr (2014: Rs 1160 Cr))	1,985.00	1,120.00
Total	2,693.20	1,993.46

Jh

R

Note 9 - Trade payables

(Rupees in Crores)

Particulars	March 31, 2015	March 31, 2014
(a) Due to Micro enterprises and small enterprises (Refer Note No. 53)	0.72	2.21
(b) Due to related parties	41.48	19.39
(c) Other	559.55	322.01
Total	601.75	343.61

Note 10 - Other Current Liabilities

(Rupees in Crores)

Particulars	March 31, 2015	March 31, 2014
(a) Current maturities of long-term debt ¹	449.23	873.67
(b) Interest accrued but not due on borrowings	83.18	61.98
(c) Other payables		
(i) Capital creditors	556.60	627.89
(ii) Statutory liabilities	41.08	16.64
(iii) Fair value of derivative liability	11.29	82.12
(iv) Due to related parties	8.24	94.42
(v) Advance from customers ²	87.48	68.11
(vi) Liability under litigation, salary, security deposits and others	147.25	115.22
Total	1,384.35	1,940.05

1. Current maturity of long term debt	March 31, 2015	March 31, 2014
(a) Non convertible Debentures	416.67	166.67
(b) External Commercial Borrowing from DBS Bank	-	50.07
(c) Buyers' credit from ICICI Bank	32.56	556.65
(d) Buyer's credit from Axis Bank	-	100.28
Total	449.23	873.67

2. Includes Rs 1.51 Cr advance from related parties.

Note 11 - Short-term provisions

(Rupees in Crores)

Particulars	March 31, 2015	March 31, 2014
(a) Provision for employee benefits	17.58	16.63
(b) Provision for tax (net)	2.57	4.29
Total	20.15	20.92

Note 13 - Long term loans and advances

(Rupees in Crores)

Particulars	March 31, 2015	March 31, 2014
(a) Capital advances		
Unsecured, considered good	173.03	130.13
(b) Security deposits		
Unsecured, considered good	28.51	37.74
(c) Taxation net	12.15	9.65
(d) Other loans and advances		
Unsecured, considered good	2.33	3.02
(e) Claims and other receivables ¹		
Unsecured, considered good	44.92	44.92
(f) Prepaid Expense	6.36	-
Total	267.30	225.46

1. Claims and other receivables includes claims recoverable from Madhya Pradesh Electricity Board (MPEB)/Chhattisgarh State Electricity Board (CSEB) amounting to Rs. 10.08 Cr (2014: Rs. 10.08 Cr), which are disputed by them. The Company is also disputing the claim for Electricity duty/surcharge made by MPEB/CSEB amounting to Rs. 10.68 Cr (2014: Rs. 10.43 Cr) . The net amount recoverable/payable can be ascertained on settlement of the disputes.

JN

R

Note 14 - Other non current assets

Particulars	(Rupees in Crores)	
	March 31, 2015	March 31, 2014
(a) Long term trade receivables		
Unsecured, considered good	34.10	34.10
(b) Unamortised Expenses	4.88	12.23
Total	38.98	46.33

Note 15 - Inventories

Particulars	(Rupees in Crores)	
	March 31, 2015	March 31, 2014
(a) Raw materials	224.48	149.38
Goods-in-transit	74.46	95.55
	298.94	244.93
(b) Coal and fuel	47.72	55.06
Goods-in-transit	63.61	2.32
	111.33	57.38
(c) Work-in-progress ¹	170.52	155.25
(d) Finished goods		
(i) Aluminium Ingot, Billets, Slabs, Bus Bar, Alloy Ingots	-	0.03
(ii) Wire rods	9.20	0.48
(iii) Rolled products	5.66	4.30
	14.86	4.81
(e) By-product	0.81	0.61
(f) Stores and spares	85.26	85.55
Goods-in-transit	1.43	5.36
	86.69	90.91
Total	683.15	553.89

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

Note 16 - Trade Receivables

Particulars	(Rupees in Crores)	
	March 31, 2015	March 31, 2014
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	6.14	6.49
Unsecured, considered doubtful	0.22	4.16
Less: Provision for doubtful debts	(0.22)	(4.16)
	6.14	6.49
(b) Other trade receivables		
Unsecured, considered good		
Due from related party	8.59	4.36
Others	59.48	80.94
	68.07	85.30
Total	74.21	91.79

Note 17 - Cash and Bank Balance

Particulars	(Rupees in Crores)	
	March 31, 2015	March 31, 2014
(a) Cash and cash equivalents		
(i) Balances with banks	1.38	1.13
(ii) Cash on hand	0.05	0.07
(iii) Bank deposits	-	0.14
(b) Other bank balances		
Bank deposits (maturity of less than or equal to twelve months)	0.11	-
Total¹	1.54	1.34

1. Of the above, the balance that meets the definition of Cash and cash equivalents as per Accounting Standard 3: Cash Flow statement	1.43	1.20
---	------	------

Jh

R

Note 18 - Short term loans and advances

(Rupees In Crores)

Particulars	March 31, 2015	March 31, 2014
(a) Balance with central excise authorities		
Unsecured, considered good	51.00	9.40
(b) Security deposits	7.01	0.16
(c) Advance to suppliers and contractors ¹	240.22	205.30
(d) Advances to employees	1.14	1.80
(e) Prepaid expenses	29.44	19.12
(f) Due from related parties	0.07	0.06
(g) Claims and other receivables	53.96	9.12
(h) Fair value of derivative assets	4.16	0.90
Total	387.00	245.86

1. Includes Rs 0.10 Cr is advance to related party.

Note 19 - Other current assets

(Rupees In Crores)

Particulars	March 31, 2015	March 31, 2014
(a) Export incentive receivable	16.03	5.99
(b) Unamortised expenses	0.27	3.14
Total	16.30	9.13

Jh

R

Note 20 - Revenue from operations

(Rupees in Crores)

Particulars	Year ended March 31,	
	2015	2014
(a) Sale of products (gross)	5,241.55	4,005.89
(b) Export incentives	22.66	6.03
(c) Other operating revenue:		
(i) Scrap sales	13.94	19.98
(ii) Unclaimed liabilities written back (net)	0.43	0.33
(iii) Miscellaneous income	8.53	60.13
(d) Revenue from operation (gross)	5,287.11	4,092.36
(e) Excise duty on revenue from operation	(468.22)	(420.62)
Revenue from operation (net)	4,818.89	3,671.74

Description of products sold:

Particulars	Year ended March 31,	
	2015	2014
(a) Aluminium Ingot, Billets, Slabs, Bus bar, Alloy Ingots	1,439.00	468.87
(b) Wire rods	2,669.82	2,486.99
(c) Rolled products	753.25	831.03
(d) By product	9.32	9.08
(e) Power wheeling	29.54	147.70
(f) Alumina	331.87	-
(g) Others	8.75	62.22
Total	5,241.55	4,005.89

Note 21- Other income

(Rupees in Crores)

Particulars	Year ended March 31,	
	2015	2014
(a) Interest income		
(i) Deposits with bank	1.43	1.29
(ii) Others	19.11	17.30
(b) Profit on sale of current investments	0.82	1.90
(c) Net gain on foreign currency transactions and translation (other than considered as finance cost)	0.89	-
(f) Rent	2.44	1.77
(g) Transfer from deferred government grant	-	0.19
Total	24.69	22.45

Note 22- Cost of materials consumed

(Rupees in Crores)

Particulars	Year ended March 31,	
	2015	2014
(a) Alumina ¹	1,449.69	1,154.85
(b) C.T. Pitch	101.00	86.76
(c) C.P.Coke	277.46	254.56
(d) Aluminium fluoride	44.40	39.54
(e) Others	38.76	28.20
(f) Capitalised for projects	(173.20)	(30.58)
Total	1,738.11	1,533.33

1. Alumina cost includes processing charges for the year Rs. 383.73 Cr (2013: Rs. 204.50 Cr)

Dr

Dr

Note 23- Purchases of Stock-in-Trade

(Rupees in Crores)

Particulars	Year ended March 31,	
	2015	2014
(a) Alumina	337.61	-
(b) C.P.Coke	10.70	-
(c) Others	1.72	-
Total	350.03	-

Note 24 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rupees in Crores)

Particulars	Year ended March 31,	
	2015	2014
(a) Opening Stock:		
(i) Finished goods	4.81	5.63
(ii) Work in progress	155.25	127.31
(iii) By products	0.61	0.87
	160.67	133.81
(b) Closing Stock		
(i) Finished goods	14.86	4.81
(ii) Work in progress	170.52	155.25
(iii) By products	0.81	0.61
	186.19	160.67
Total	(25.52)	(26.86)

Note 25 - Employee benefits expense

(Rupees in Crores)

Particulars	Year ended March 31,	
	2015	2014
(a) Salaries and wages ¹ (Refer Note No.42)	318.11	251.74
(b) Contributions to provident and other funds	49.45	31.08
(c) Staff welfare expenses	47.38	42.50
Total	414.94	325.32

¹The Company announced voluntary retirement to its employees under the revised Voluntary Retirement Scheme, 2000 on August 8, 2014. The scheme was opened on August 8, 2014 and closed on August 28, 2014. Under the scheme, 200 employees opted for Voluntary retirement. During the year ended March 31 2015, Rs 42.57 Cr paid/payable under the scheme is disclosed as part of salary and wages.

Note 26 - Finance cost

(Rupees in Crores)

Particulars	Year ended March 31,	
	2015	2014
(a) Interest expense		
(i) on loans	74.67	11.03
(ii) on others	10.63	11.73
(b) Forward Premium	52.92	48.06
(c) Net loss on foreign currency transactions and translation (considered as finance cost)	15.74	20.89
(d) Bank charges	2.00	0.59
Total	155.96	92.30



Note 27 - Other expenses

(Rupees in Crores)

Particulars	Year ended March 31,	
	2015	2014
(a) Consumption of stores and spare parts	107.14	108.09
(b) Machinery repairs	110.60	129.84
(c) Building repairs	15.41	8.04
(d) Other repairs	25.59	23.63
(e) Excise duty ¹	(0.79)	(0.07)
(f) Other manufacturing and operating expenses	32.48	26.91
(g) Rent	0.46	0.47
(h) Rates and taxes	5.43	5.65
(i) Insurance	8.14	8.37
(j) Conveyance and travelling expenses	14.82	11.79
(k) Loss on sale of fixed assets	1.95	4.00
(l) Directors' sitting fees	0.05	0.05
(m) Bad debts/advances/claims written off	0.85	-
(n) Payments to auditors ²	1.16	0.96
(o) Net loss on foreign currency transactions and translation (other than considered as finance cost)	-	32.59
(p) Consultants and professional fees	18.43	25.27
(q) Contribution to Cancer Research Hospital (VMRF) ³ (Refer Note No. 54)	4.19	5.64
(r) Corporate Social Responsibility Expenses (Refer Note No. 54)	3.13	5.51
(s) Advertisement and publicity	6.21	5.76
(t) Carriage outward	39.02	33.55
(u) Packing expenses	14.52	6.97
(v) Other selling expenses	3.91	4.41
(w) Cash discount	0.29	0.28
(x) Power scheduling charges	(10.60)	32.76
(y) Others	32.04	27.89
Total	434.43	508.36

1. Excise duty	Year ended March 31,	
	2015	2014
(a) Difference between closing and opening stock	0.15	(0.18)
(b) Shortages, etc.	(0.94)	0.11
Total	(0.79)	(0.07)

2. Payments to auditors	Year ended March 31,	
	2015	2014
(a) As Auditor - for statutory audit and limited reviews	0.68	0.53
(b) For taxation matters		0.14
(c) For other services	0.43	0.39
(d) Reimbursement of expenses	0.05	0.04
Total	1.16	1.10
Service/cess tax on above	0.14*	0.13*
*Subject to cenvat credit		

Note 28 - Current tax

(Rupees in Crores)

Particulars	Year ended March 31,	
	2015	2014
Current tax		
(i) For the year	-	3.59
(ii) For earlier years	-	(0.29)
Net Current Tax	-	3.30

Jh

R

Note 12 - Fixed Assets

	Fixed Assets				Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	Balance as at April 1, 2014	Classified as Asset held for Sale (note no b)	Additions / adjustments	Deductions / adjustments	Balance As at March 31, 2015	Balance As at April 1, 2014	Classified as Asset held for Sale (note no b)	Charge for the year	Deductions	Adjustments (note no a)	Balance As at March 31, 2015	Balance as at April 1, 2014	Balance As at March 31, 2015	
Tangible Assets														
Freehold land	4.93	-	-	-	4.93	-	-	-	-	-	-	4.93	4.93	
(Previous Year)	4.93	-	-	-	4.93	-	-	-	-	-	-	4.93	4.93	
Leasehold land	39.48	-	2.45	-	41.93	29.69	1.08	1.08	10.65	0.61	31.38	9.79	10.55	
(Previous Year)	34.58	-	4.90	-	39.48	28.80	0.79	0.79	9.79	-	29.69	5.68	5.68	
Buildings	659.13	(3.78)	753.65	0.08	1,408.92	350.89	(3.57)	58.59	4,008.45	4.54	408.45	308.24	1,000.47	
(Previous Year)	649.99	-	9.14	-	659.13	26.72	26.72	26.72	350.89	-	350.89	325.82	308.24	
Railway siding	54.33	-	4.99	-	59.32	36.98	2.77	2.68	17.35	-	39.66	17.35	19.66	
(Previous Year)	54.33	-	54.33	-	54.33	34.21	165.49	2.77	36.98	-	36.98	20.12	17.35	
Plant and equipment	4,376.55	(76.36)	1,116.46	44.09	5,372.56	3,165.07	(54.75)	165.49	32.86	3.88	3,246.83	1,211.48	2,125.73	
(Previous Year)	4,362.37	-	23.49	9.31	4,376.55	2,976.19	183.68	183.68	4.80	-	3,165.07	1,386.18	1,211.48	
Furniture and fixtures	17.89	-	3.61	0.01	21.49	11.42	1.80	1.80	-	0.01	13.23	6.47	8.26	
(Previous Year)	17.71	-	0.18	-	17.89	10.02	1.40	1.40	-	-	11.42	7.69	6.47	
Vehicles	6.33	-	22.85	0.74	28.44	3.93	3.77	3.77	0.41	0.04	7.33	2.40	21.11	
(Previous Year)	6.48	-	0.23	0.38	6.33	3.57	0.50	0.50	0.14	-	3.93	2.91	2.40	
Office equipment	31.93	-	1.94	0.01	33.86	27.24	1.96	1.96	0.01	0.65	29.84	4.69	4.02	
(Previous Year)	30.83	-	1.11	0.01	31.93	25.10	2.14	2.14	-	-	27.24	5.73	4.69	
Mine development	0.39	-	-	-	0.39	0.39	-	-	-	-	0.39	-	-	
(Previous Year)	0.39	-	-	-	0.39	0.39	-	-	-	-	0.39	-	-	
Asset held for sale	-	3.78	-	-	3.78	-	3.57	-	-	-	3.57	-	0.21	
(Previous Year)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Plant and equipment	2.01	76.36	-	-	78.37	1.85	54.75	-	-	-	56.80	0.16	21.77	
(Previous Year)	2.01	-	-	-	2.01	1.85	-	-	-	-	1.85	0.16	0.16	
Total	5,192.97	-	1,905.95	44.93	7,053.99	3,627.46	-	233.37	33.28	9.73	3,837.28	1,565.51	3,216.71	
<i>Previous Year</i>	<i>5,163.62</i>	<i>-</i>	<i>39.05</i>	<i>9.70</i>	<i>5,192.97</i>	<i>3,404.40</i>	<i>-</i>	<i>228.00</i>	<i>4.94</i>	<i>-</i>	<i>3,627.46</i>	<i>1,769.22</i>	<i>1,565.51</i>	
Intangible Assets														
Computer Software	7.88	-	-	-	7.88	2.82	2.25	2.25	-	-	5.07	5.06	2.81	
(Previous Year)	7.88	-	-	-	7.88	2.82	2.25	2.25	-	-	2.82	5.07	5.06	
Total	7.88	-	-	-	7.88	2.82	0.57	2.25	-	-	2.82	7.31	5.06	
<i>Previous Year</i>	<i>7.88</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7.88</i>	<i>2.82</i>	<i>0.57</i>	<i>2.25</i>	<i>-</i>	<i>-</i>	<i>2.82</i>	<i>7.31</i>	<i>5.06</i>	
Grand Total	5,200.85	-	1,905.95	44.93	7,061.87	3,630.28	-	235.62	33.28	9.73	3,842.35	1,570.57	3,219.52	
<i>Previous Year</i>	<i>5,171.50</i>	<i>-</i>	<i>39.05</i>	<i>9.70</i>	<i>5,200.85</i>	<i>3,404.97</i>	<i>-</i>	<i>230.25</i>	<i>4.94</i>	<i>-</i>	<i>3,630.28</i>	<i>1,766.53</i>	<i>1,570.57</i>	

(a) These adjustments are arising out of a revision of the estimated useful life of assets and have been adjusted from the balance of retained earnings. See also note 52.

(b) The Company has classified assets of alumina plant as held for sale. The company expects the net realisable value to be greater than the carrying value of these assets.

(c) During the year, the company has classified insurance spares worth Rs 10.21 Cr from inventory of stores and spares to fixed assets. Further, the company has reclassified fixed assets having gross value of Rs 38.83 crores and written down value of Rs 9.57 Cr to inventory.

(d) 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 the deeds from NTPC.

(e) 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.

(f) Plant and machinery includes Rs. 106.25 cr (2014: Rs. 113.30 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.

(g) 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 1804.87 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, 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.

	(Rupees in Crores)	
	2015	2014
29 Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances).	444.18	439.88
30 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.*	485.45	437.94
ii.Relating to Suppliers and Contractors - Matter pending in Court / arbitration.*	27.91	30.25
iii.Relating to customers under contractual arrangements - Matter pending with court.*	34.10	34.10
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.*	135.78	100.51
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.)*	0.65	0.53
c) Custom duty against fulfillment of export obligation (Also refer note 31)	694.15	835.78

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

- 31 The Company has export obligations of Rs. 5,522.74 Cr (2014: Rs. 6,684.12 Cr) against import under Export Promotion Capital Goods Scheme.
- 32 During the financial year 2009-10, the Company has received a demand from the 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 the Chief Electrical Inspector is misconceived in law. The amount for the period subsequent to March 31, 2009 till March 31, 2015 amounts to Rs. 413.77 Cr. 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.
- 33 Subsequent to de-allocation of coal blocks by the Supreme Court of India, the Coal Mines (Special Provisions) Ordinance, 2014 was promulgated and Schedule II (operational) coal mines and Schedule III (about to be operational) coal mines were put to auction. Company participated in these coal block auctions and came out as highest bidder for Chotia Coal Mine and Gare Palma IV/1 Coal Mine with peak rated capacity of 1 MTPA and 6 MTPA respectively. Company was declared as successful bidder in respect of Chotia Coal Mine. However, Company was not declared as successful bidder in respect of Gare Palma IV/1 Coal Mine vide an Order of the GoI dated 20th March, 2015. Subsequently, Company filed writ petition in the High Court of Delhi against the said Order. With respect to the Chotia Coal Mines, the Company has deposited Rs.76.74 Cr and included under Long term loans and advances and have received the vesting order effective April 1, 2015.
- 34 The non fund based facility utilized from banks Rs. 2062.81 Cr (2014: Rs 1,757.13 Cr) is secured by charge on current assets and fixed assets and lien on fixed deposit amounting to Rs. 0.10 Cr (2014: Rs. 0.14 Cr) .
- 35 The research and development expenses charged to statement of profit and loss account (including depreciation Rs. 0.97 cr (2014: 0.98 cr)) aggregates to Rs. 2.97 Cr (2014: Rs. 2.30 Cr).

Dr

A

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

Expenses	(Rupees in Crores)	
	2015	2014
Cost of materials consumed	173.16	30.58
Power and fuel	215.10	27.95
Consumption of stores and spare parts	4.99	1.02
Building repairs	0.19	0.00
Machinery repairs	8.31	5.67
Employee benefits expense#	25.00	39.39
Finance Cost	263.42	230.03
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	88.09	198.70
Net gain / loss on foreign currency transactions and translation (other than considered as finance cost)	16.27	105.58
Other Expenses #	(1.77)	5.15
Total	792.76	644.07
Income		
Preoperative income:		
-- Sales/Other Income	346.45	13.10
Total	346.45	13.10
Expenditure (net)	446.31	630.97

Post deallocation of coal block, the Company has made an assessment of the expenditure incurred for its recoverability and has consequently transferred from CWIP an amount of Rs. 29.41 Cr to the Statement of Profit and loss. (Refer Note No 40)

37 The major components of the deferred tax are :

	(Rupees in Crores)	
	2015	2014
Deferred tax liability		
Depreciation	297.51	170.89
Hedging Reserve	1.37	0.29
	298.88	171.18
Deferred tax asset		
On employee benefits	68.19	55.50
Unabsorbed Depreciation	177.90	-
Others	6.74	15.75
	252.83	71.25
	46.05	99.93

38 Earnings per Share (EPS) :

Particulars	2015	2014
Net profit after tax for the period (Rs in Cr)	6.00	38.88
Weighted number of ordinary shares for basic EPS	220,624,500	220,624,500
Nominal value of ordinary share (in Rs. per share)	10	10
Basic and Diluted earnings for ordinary shares (in Rs. per share)	0.27	1.76

39 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. The Company has received the consent to operate from the Chhattisgarh Environment Conservation Board.

40 Pursuant to 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 Cr towards land, forest clearance and other directly attributable costs. Based on Coal Mines (Special Provisions) Ordinance, 2014, the Company has made an assessment of the expenditure incurred for its recoverability and has consequently charged an amount of Rs. 29.41 Cr in the Statement of Profit and loss. The same has been disclosed as an exceptional item being non-recurring in nature.

Oh

R

- 41 Under the provisions of The Mines and Minerals (Development and Regulation) Amendment Act, 2015 (MMDR Act) passed by the Indian Parliament in March 2015, existing holders of mining leases may have to pay an additional levy of up to 100% of the royalty as District Mineral Foundation (DMF) contribution for the benefit of the areas in which mines operate. This MMDR Act overrides the earlier Presidential ordinance promulgated in January 2015 which had prescribed the contribution to DMF up to a maximum of 33% of the royalty. The detailed rules and amount of such contribution to DMF have not yet been notified by the Chhatisgarh Government. Accordingly, provision has not been made for Bauxite mining operations for such contributions to DMF for financial year ended on March 31, 2015.

42 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 lapse.

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.

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 (net of capitalisation) for the year ended March 31, 2015 was Rs 19.61 Cr (2014: Rs 21.24 Cr). The Company considers these amounts as not material and accordingly has not provided further disclosures.



43 Employee benefit :

(Rupees in Crores)

(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. 15.87 cr (2014: Rs. 16.32 cr) has been charged to the Statement of profit and loss in this respect, the components of which are tabulated as below

Defined contribution plans	2015	2014
i. Provident fund	12.87	14.34
ii. Family Pension Scheme	3.00	1.98

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, 2015. 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 16 (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:

	2015	2014
<u>I. Movement in present value of defined benefit obligation</u>		
Obligation at the beginning of the year	112.33	112.62
Current service cost	3.04	3.85
Interest cost	8.59	8.30
Plan amendments cost	-	-
Actuarial loss/(gain)	23.28	5.16
Benefits paid	(33.78)	(17.60)
Obligation at the end of the year	113.46	112.33
	2015	2014
<u>II. Movement in present value of plan assets</u>		
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	-	-
	2015	2014
<u>III. Amount recognised in the balance sheet</u>		
Present value of obligations at the end of the year	113.46	112.33
Less: Fair value of plan assets at the end of the year	-	-
Net liability recognised in the balance sheet		
(Includes current liability Rs. 12.43 Cr)	(113.46)	(112.33)
(2014: Rs. 12.45 Cr)		
	2015	2014
<u>IV. Amount recognised in the Statement of profit and loss</u>		
Current service cost	3.04	3.85
Interest cost	8.59	8.30
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the period	23.28	5.16
Past service costs	-	-
Total	34.91	17.31

v. Actuarial assumptions #

	2015	2014
Salary growth :-		
Executive	7.0%	5.0%
Non Executive	5.0%	3.0%
Discount rate	7.8%	9.0%
Expected return on plan assets	NA	NA
Mortality	Indian Assured Lives (2006-08) modified ultimate	Indian Assured Lives (2006-08) modified ultimate

	2015	2014	2013	2012	2011
vi. Experience adjustments					
Present value of the obligation	(113.46)	(112.33)	(112.63)	(102.97)	(94.02)
Fair value of plan assets	-	-	-	0.89	7.63
Surplus / (deficit) in the plan	(113.46)	(112.63)	(112.63)	(102.08)	(86.39)
Experience adjustment on plan liabilities	(12.12)	(10.49)	(8.54)	(9.73)	(23.35)
Experience adjustment on plan assets	-	-	(0.04)	0.08	1.11
Actuarial Gain/(Loss) due to change on assumptions	11.15	5.33	(2.09)	2.04	2.54

vii. Expected returns on plan assets

	2015	2014
Class of assets		
Life Insurance Corporation		
Fair Value of Asset	-	-
Expected Return	NA	NA

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:

	2015	2014
I. Movement in present value of defined benefit obligation		
Obligation at the beginning of the year	15.03	13.67
Current service cost	0.07	0.02
Interest cost	1.31	1.06
Plan amendments cost	-	-
Actuarial loss/(gain)	3.97	1.16
Benefits paid	(0.97)	(0.88)
Obligation at the end of the year	19.41	15.03

II. Movement in present value of plan assets

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	-	-

III. Amount recognised in the balance sheet

	2015	2014
Present value of obligations at the end of the year	19.41	15.03
Less: Fair value of plan assets at the end of the year	-	-
Funded/(Unfunded) status	(19.41)	(15.03)
Net liability recognised in the balance sheet	(19.41)	(15.03)
(Includes current liability Rs. 1.45 cr (2014: Rs. 1.19 cr))		

[Handwritten signature]

[Handwritten signature]

	2015	2014
<u>iv.Amount recognised in the Statement of profit and loss</u>		
Current service cost	0.07	0.02
Interest cost	1.31	1.06
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the period	3.97	1.16
Past service costs	-	-
Total	5.35	2.24

	2015	2014
<u>v.Actuarial assumptions #</u>		
Salary growth :-		
Executive	7.0%	5.0%
Non Executive	5.0%	3.0%
Discount rate	7.8%	9.0%
Expected return on plan assets	NA	NA
Medical Inflation	5%	5%
In Service Mortality	Indian Assured Lives (2006-08) modified ultimate LIC a (96-98) ultimate	Indian Assured Lives (2006-08) modified ultimate LIC a (96-98) ultimate
Post Retirement Mortality		

	2015 (Rs.In Cr)	2014 (Rs.In Cr)	2013 (Rs.In Cr)	2012 (Rs.In Cr)	2011 (Rs.In Cr)
<u>vi.Experience adjustments</u>					
Present value of the obligation	(19.41)	(15.03)	(13.67)	(12.13)	(10.84)
Surplus / deficit in the plan	(19.41)	(15.03)	(13.67)	(12.13)	(10.84)
Experience adjustment on plan liabilities	(1.90)	(2.60)	(0.72)	(1.55)	(4.44)
Actuarial Gain/(Loss) due to change on assumptions	2.07	1.44	(0.49)	0.47	0.54

	March 31,2015		March 31,2014	
Medical inflation	4%	6%	4%	6%
Liability as at 31st March 2015	18.73	20.21	14.52	15.64
Service Cost + Interest Cost	1.47	1.59	1.03	1.13

(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.

44 Segment Reporting :

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.

a) Information based on the primary business segment

Particulars	2014-15				2013-14			
	Aluminium	Power	Eliminations	Total	Aluminium	Power	Eliminations	Total
Revenue								
External sales	4,766.45	29.54		4,795.99	3,447.42	143.88		3,591.30
Inter segment sales		512.27	(512.27)	-		221.40	(221.40)	-
Enterprise revenue	4,766.45	541.81	(512.27)	4,795.99	3,447.42	365.28	(221.40)	3,591.30
Results								
Segment result	116.75	(0.84)		115.91	50.54	35.19		85.73
Operating profit / (loss)	116.75	(0.84)		115.91	50.54	35.19		85.73
Less : Exceptional item	29.41			29.41				-
Less : Interest expenses				155.96				92.30
Add : Interest and income from investments				23.80				22.45
Less : Income tax				(51.66)				(23.00)
Net profit / (loss)	87.34	(0.84)		6.00	50.54	35.19		38.88
Segment assets	11,500.39	249.87		11,750.26	10,808.16	280.00		11,088.16
Unallocated corporate assets				44.14				38.39
Total assets	11,500.39	249.87		11,794.40	10,808.16	280.00		11,126.55
Segment liabilities	1,585.93	250.74		1,836.67	1,560.46	245.35		1,805.81
Unallocated corporate liabilities				5,587.36				4,952.08
Total liabilities	1,585.93	250.74		7,424.03	1,560.46	245.35		6,757.88
Capital expenditures	722.22	0.91		723.13	680.74	0.76		881.50
Depreciation and amortisation expense	231.73	3.89		235.62	221.52	8.73		230.25
Significant non-cash expenses other than depreciation								

b) Information based on secondary segment (geographical segment)

	(Rupees in Crores)	
	2014-15	2013-14
Revenue by geographical segment based on location of customers		
India	4,052.60	3,410.19
Outside India	743.39	181.11
Total	4,795.99	3,591.30
Carrying amount of segment assets based on location of assets		
India	11,794.40	11,126.55
Outside India	-	-
Total	11,794.40	11,126.55
Capital expenditure		
India	723.13	881.50
Outside India	-	-

Reconciliation between segment revenue and enterprise revenue

Particulars	(Rupees in Crores)	
	2014-15	2013-14
Segment Revenue		
Aluminium	4,766.45	3,447.42
Power	541.81	365.28
Elimination	(512.27)	(221.40)
Total Segment Revenue	4,795.99	3,591.30
Enterprise revenue		
Sale of products and export incentives	5,264.21	4,011.92
Less Excise Duty	(488.22)	(420.62)
Total Enterprise Revenue	4,795.99	3,591.30

Handwritten signature

Handwritten signature

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

(i) Holding companies:	Immediate:	Sesa Sterilite Limited (SSL) (Erstwhile Sterilite Industries (India) Limited (SIIL))
	Ultimate in U.K:	Vedanta Resources Plc.
(ii) Fellow subsidiaries		
	(iii) Key Personnel	Mr Ramesh Nair , CEO and Whole-time Director
	(iv) Others	Vedanta Foundation (VF) Vedanta Medical Research Foundation (VMRF)**** Sterilite Technologies Limited (STL)

B. Transactions with related parties:

(a) Holding Company, Fellow Subsidiary, Associate and Joint Venture

Nature of transactions	SSL		Fellow subsidiaries										Total Amount									
	2015	2014	2015		2014		2015		2014		2015		2014									
			HZL	MVPL	TSP	VGCB	HZL	SEL	Sesa Goa	MALCO	VAL	TSPL	VGCB	VF	VMRF	STL	VF	VMRF	STL			
- Purchase of goods (includes conversion charges of Rs. 383.73 Cr (2014 : 204.50Cr))	1,138.27	-	-	-	-	-	-	-	-	354.66	-	-	-	-	-	-	-	-	-	1,138.27	354.66	
- Purchase of Services	-	-	-	12.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.86	-
- Personnel services and apportionment of common group expenses	70.86	79.99	0.10	0.06	0.05	0.01	0.05	0.01	0.02	0.05	4.72	0.04	-	-	-	-	-	-	-	70.86	84.88	
- Donation given and CSR contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	4.19	0.12	5.64	4.29	5.76
- Recovery of Personnel services	5.00	2.45	0.05	-	0.13	-	@	-	-	@	0.78	0.10	0.10	-	-	-	-	-	-	-	5.17	3.45
- Sale of goods	350.67	-	22.96	-	-	-	19.86	-	-	-	1.43	-	-	-	-	-	-	-	57.01	39.66	430.65	61.18
- Material taken on loan basis	8.91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.91	-
- Material repaid back, taken on loan basis	6.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.44	-
- Debit balance as at March 31	-	-	1.79	0.10	0.06	-	2.98	-	@	-	-	0.05	@	-	-	-	-	-	6.81	1.38	8.76	4.42
- Credit balance as at March 31	49.39	53.92	0.19	0.33	-	-	0.01	@	-	-	59.88	-	-	-	-	-	-	-	1.33	-	51.23	113.81

* Pursuant to the merger as stated in note 3(ii), these entities have merged in holding company Sesa Sterilite Limited w.e.f. Aug 17, 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	2015	2014
	1.95	1.93

The company is required to pay managerial remuneration in accordance with the limits prescribed by section 197 read with Schedule V of the Companies Act, 2013. During the year remuneration paid to the CEO and Whole-time Director is in excess of the prescribed limit by Rs Nil (2014: 0.93).

Oh



46 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

i. Currency

Currency	2015				2014			
	Rupees in Crores	Foreign Currency in Million	Buy / Sell	Cross Currency	Rupees in Crores	Foreign Currency in Million	Buy / Sell	Cross Currency
EURO	40.68	5.85	Buy	USD	38.26	4.63	Buy	USD
EURO	0.32	0.05	Buy	INR	0.39	0.05	Buy	INR
GBP	1.32	0.14	Buy	USD	2.71	0.27	Buy	USD
AUD	0.31	0.07	Buy	USD	0.73	0.13	Buy	USD
AUD	0.00	0.00	Buy	INR	0.00	0.00	Buy	INR
USD	1,203.65	182.33	Buy	INR	1,696.32	261.66	Buy	INR
CAD	0.25	0.05	Buy	INR	0.28	0.05	Buy	INR
CAD	1.37	0.28	Buy	USD	3.71	0.68	Buy	USD

ii. Commodity

Commodity	2015	2014
Forward / Futures	Sale	Sale
Aluminium (MT)	14,100	11,950

b) Unhedged foreign currency exposures

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

Receivable towards	2015		2014	
	Rupees in Crores	Foreign currency in USD Million	Rupees in Crores	Foreign currency in USD Million
Export of goods	1.57	0.25	0.61	0.10

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

Payable towards	2015		2014	
	Rupees in Crores	Foreign currency in USD Million	Rupees in Crores	Foreign currency in USD Million
Import of goods and services	595.93	95.21	526.26	87.56
Interest	7.26	1.16	-	-
Loans	1,291.59	206.36	1,361.30	226.51

h

R

47 Value of raw materials consumed :

(Rupees In Crores)

Particulars	2015		2014	
	%	Value	%	Value
Indigenous	39.34	683.80	32.22	493.97
Imported	60.66	1,054.31	67.78	1,039.36
	100.00	1,738.11	100.00	1,533.33

48 Value of components, stores and spare parts consumed :

(Rupees In Crores)

Particulars	2015		2014	
	%	Value	%	Value
Indigenous	71.67	93.48	70.49	97.91
Imported	28.33	36.96	29.51	41.00
	100.00	130.43	100.00	138.91

Components, stores and spare parts consumed debited under various heads in the Statement of profit and loss – Rs. 130.43 cr (2014: Rs. 138.91 cr).

49 CIF value of imports :

(Rupees in Crores)

Particulars	2015	2014
	Raw materials [#]	556.59
Coal and Fuel [#]	254.09	0.00
Components, stores and spare parts	35.79	23.29
Capital goods	35.19	37.05
Trading goods	350.03	0.00
	1,231.69	915.77

[#] Goods purchased on high sea sale basis Rs. 364.18 Cr (raw material Rs 354.03 Cr and Coal Rs. 10.15 Cr) not included above.

50 Expenditure in foreign currency :

(Rupees in Crores)

Particulars	2015	2014
	Professional and consultation fees	2.29
Interest	58.59	78.75
Travelling expenses	0.97	1.20
Other expenditures	6.92	0.42
	68.77	82.19

51 Earning in foreign exchange :

(Rupees in Crores)

Particulars	2015	2014
	FOB value of exports	732.87
	732.87	177.41

52 During the year, with effect from April 1, 2014, the Company has revised the estimated useful lives of certain assets based on a technical study and evaluation of the useful life of the assets conducted in this regard and management's assessment thereof. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Useful life (In number of years)	
	2015	2014
Factory Buildings	30 years	28.44 years
Buildings (other than factory building)	30 years	58.28 years
Plant and Machinery		
-Metal Pot line	40 years	18 years
-Power Plant	40 years	18 years
-Rolling mill & furnaces	30 years	18 years
Roads	5-10 years	28.44 to 58.28 years
Furniture and Fixtures	10 years	15 years
Office Equipments	5 years	20 years

Consequent to the change arising from the assessment of the useful lives of certain assets as above:

1) The Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs.9.73 Cr (net of deferred tax of Rs. 6.42 Cr) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus,

2) The depreciation expense in the Statement of Profit and Loss for the year is lower by Rs. 82.40 Cr consequent to the change in the useful lives of the assets.

Jh

[Signature]

53 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, 2015. 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 .

54 Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company. Accordingly, the Company has incurred Rs 7.32 Cr during the year on account of expenditure towards corporate social responsibility. No expenses have been incurred in construction of a capital asset under CSR during the year.

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

For and on behalf of the Board of Directors



SK Roongta

Director



Ramesh Nair

CEO & Whole Time Director



Dinesh Mantri

Chief Financial Officer



Rohit Sarda

Company Secretary

Place: Mumbai
Dated : April 20, 2015

