

**INDEPENDENT AUDITORS' 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 31<sup>st</sup> March, 2016, 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 prescribed under section 133 of the Act, as applicable.

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 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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. 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 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. 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 statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

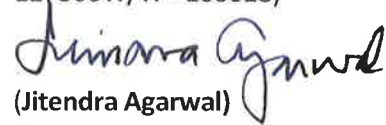


**Deloitte**  
**Haskins & Sells LLP**

- g) 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 financial statements – Refer to Note 33 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**

(Firm's Registration No.  
117366W/W - 100018)



(Jitendra Agarwal)

(Partner)

(Membership No. 87104)

Place : *Mumbai*  
Date: April 21, 2016

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **BHARAT ALUMINIUM COMPANY LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

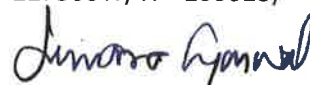
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

**Chartered Accountants**

(Firm's Registration No.

117366W/W - 100018)



**Jitendra Agarwal**

**Partner**

**Membership No. 87104**

Place: *Mumbai*

Date: April 21, 2016

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'**  
**section of our report of even date)**

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items once in a 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the fixed assets were not due for verification by the management during the year.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination records provided to us and based on the examination of the documents provided to us, we report that:
- The Company has 949 acres of free hold land which was acquired by the Government and handed over to the Company. The Company has copy of the certificates issued by the Tehsildar for 920 Acres.
  - The land transferred to the Company by National Thermal Power Corporation Ltd. (NTPC) vide agreement dated June 20, 2002 comprising 171.44 acres land for the company's 270 MW captive power plant and its allied facilities and 34.74 acres land for staff quarters of the said captive power plant is yet to registered in favour of the company due to non-availability of title deeds from NTPC.
  - In respect of 1,804 acres of government leasehold land (which includes forest land), we are informed that Division Bench of Hon'ble High Court of Chhattisgarh has upheld that the Company is in legal possession of this land. Subsequent to the said order, the State Government has decided to issue the lease deed in favour of the Company after clearance of forest land diversion issue, which is sub-judice before the Hon'ble Supreme Court.

We further report that in respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement

- (ii) In respect of inventories:
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventory lying with the third parties, these have been confirmed by them.



- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit 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.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and 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.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (a) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.in crores)	Amount Unpaid (Rs.in crores)
Central Sales Tax Act, 1956	Demand for sales tax	Deputy Appellate Commissioner	2002-03	0.01	0.01
<b>Total</b>				<b>0.01</b>	<b>0.01</b>
Local Sales Tax	Dispute for VAT rebate on inputs used in	Additional Commissioner	2006-07	0.07	-

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	power generated and sale				
<b>Local Sales Tax</b>	Dispute for VAT rebate on inputs used in power generated and sale	Additional Commissioner	2007-08	0.04	0.04
<b>Local Sales Tax</b>	Dispute for VAT rebate on inputs used in power generated and sale	Commercial Tax Tribunal	2008-09	0.05	0.05
<b>Local Sales Tax</b>	Dispute for VAT rebate on inputs used in power generated and sale	Additional Commissioner	2009-10	0.08	0.08
<b>West Bengal Value Added Tax Act, 2003</b>	Demand for payment of local sales tax	Additional Commissioner	2007-08	0.04	0.04
<b>Total</b>				<b>0.28</b>	<b>0.21</b>
<b>Central Excise Act, 1944</b>	Clearance to VSSC- Non eligibility to 64/95	CESTAT, New Delhi	Varying period	0.36	0.28
<b>Total</b>				<b>0.36</b>	<b>0.28</b>

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) 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 raised, other than temporary deployment pending application of proceeds.

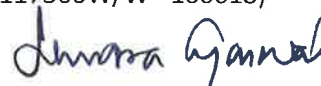
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## **Deloitte Haskins & Sells LLP**

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



**Jitendra Agarwal**  
**Partner**  
**Membership No. 87104**

Place: **Mumbai**  
Date: April 21, 2016

Bharat Aluminium Company Limited  
Audited Balance Sheet as at March 31, 2016

(Rupees in Crores)

Particulars		Note No.	As at March 31, 2016	As at March 31, 2015
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	220.62	220.62
	(b) Reserves and surplus	4	3,487.92	4,149.75
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	3,317.74	2,313.13
	(b) Deferred tax liabilities (net)	6	-	46.05
	(c) Other long-term liabilities	7	105.12	210.78
	(d) Long-term provisions	8	116.58	154.62
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	9	1,433.90	2,693.20
	(b) Trade payables	10		
	(i) Total outstanding dues of micro enterprises and small enterprises		2.88	0.72
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		924.01	601.03
	(c) Other current liabilities	11	2,115.75	1,384.35
	(d) Short-term provisions	12	13.07	20.15
	<b>TOTAL</b>		<b>11,737.59</b>	<b>11,794.40</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
<b>1</b>	<b>(a) Fixed assets</b>			
	(i) Tangible assets	13	6,747.74	3,216.71
	(ii) Intangible assets	13	0.56	2.81
	(iii) Capital work-in-progress		3,815.77	7,106.40
	(b) Long-term loans and advances	14	264.57	267.30
	(c) Other non-current assets	15	42.31	38.98
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	16	611.49	683.15
	(b) Trade receivables	17	44.74	74.21
	(c) Cash and Bank Balances	18	12.38	1.54
	(d) Short-term loans and advances	19	186.82	361.70
	(e) Other current assets	20	11.21	41.60
	<b>TOTAL</b>		<b>11,737.59</b>	<b>11,794.40</b>

See accompanying note no. 1 to 51 forming part of the financial statements

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

  
Jitendra Agarwal  
Partner

For and on behalf of the Board of Directors

  
SK Roongta  
Director

  
Ramesh Nair  
CEO & Whole Time Director

Place : Mumbai  
Date : April 21, 2016

  
Sandeep Agrawal  
Chief Financial Officer

  
Rohit  
Rohit Sarda  
Company Secretary


**Bharat Aluminium Company Limited**  
**Statement of Profit and loss for the year ended March 31, 2016**

( Rupees in Crores)

Particulars		Note No	Year ended March 31, 2016	Year ended March 31, 2015
I.	Revenue from operations (gross)		5,436.35	5,287.11
	Less: Excise duty		(520.73)	(468.22)
	Revenue from operations (net)	21	4,915.62	4,818.89
II.	Other income	22	25.99	24.69
III.	Total Revenue (I + II)		4,941.61	4,843.58
IV.	Expenses:			
	Cost of materials consumed	23	1,799.17	1,738.11
	Purchases of Stock-in-Trade	24	322.88	350.03
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	63.92	(25.52)
	Power and Fuel (Refer Note No 41 and 42)		1,991.28	1,556.26
	Employee benefits expense	26	303.43	372.19
	Finance costs	27	258.00	155.96
	Depreciation and amortisation expense	13	413.56	235.62
	Other expenses	28	444.73	434.43
	Total expenses		5,596.97	4,817.08
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(655.36)	26.50
VI.	Exceptional item	39 & 40	68.93	72.16
VII.	Profit before tax (V-VI)		(724.29)	(45.66)
VIII.	Tax expense:			
	-Deferred tax		(44.68)	(51.66)
IX.	Profit for the year (VII-VIII)		(679.61)	6.00
X.	Earnings per equity share (of Rs. 10/-each)			
	Basic and Diluted ( in Rs. per share) (before exceptional item)	38	(27.68)	3.54
	Basic and Diluted ( in Rs. per share) (after exceptional item)		(30.80)	0.27


See accompanying note no. 1 to 51 forming part of the financial statements

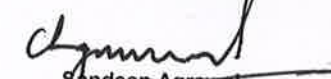
In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants


  
Jitendra Agarwal  
Partner


Place : Mumbai  
Date : April 21, 2016

For and on behalf of the Board of Directors

  
SK Roongta  
Director

  
Sandeep Agrawal  
Chief Financial Officer

  
Ramesh Nair  
CEO & Whole Time Director

  
Rohit Sarda  
Company Secretary

**Bharat Aluminum Company Limited**

**Cash Flow Statement for the year ended March 31, 2016**

(Rupees in crores)

SI No	Particulars	March 31, 2016	March 31, 2015
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	<b>(724.29)</b>	<b>(45.66)</b>
	Adjusted for :		
	- Depreciation and amortisation expense	413.56	235.62
	- Interest income	(20.65)	(20.54)
	- Finance cost	242.05	140.22
	- (Profit)/loss on sale of current investments	(1.04)	(0.82)
	- (Profit)/loss on sale of fixed assets (net)	0.86	1.95
	- Net loss on foreign currency transactions and translation	9.08	4.52
	- Provision for Capital Work in Progress	5.37	29.41
	- Bad debts/advances/claims written off	-	0.85
	- Unclaimed Liabilities/provisions written back (net)	(62.41)	(0.43)
	-Amount directly taken to reserves	(4.48)	(6.52)
		<b>582.34</b>	<b>384.26</b>
	<b>Operating profit before working capital changes</b>	<b>(141.95)</b>	<b>338.60</b>
	Adjusted for :		
	- (Increase)/Decrease in Trade receivables	29.15	17.65
	- (Increase)/Decrease in Inventories	71.66	(129.93)
	- (Increase)/Decrease in Long-term loans and advances	(12.75)	3.56
	- (Increase)/Decrease in Short-term loans and advances	90.68	(92.00)
	- (Increase)/Decrease in Other current assets	12.10	(10.04)
	- Increase/(Decrease) in Other Long-term liabilities	(4.31)	4.49
	- Increase/(Decrease) in Long-term provisions	(38.04)	14.70
	- Increase/(Decrease) in Trade payables	390.49	259.65
	- Increase/(Decrease) in Other current liabilities	75.54	(71.92)
	- Increase/(Decrease) in Short-term provisions	(6.75)	0.95
		<b>607.77</b>	<b>(2.89)</b>
	<b>Cash generated from operations</b>	<b>465.82</b>	<b>335.71</b>
	Net Income taxes (paid) / refunds	18.50	(4.22)
	<b>Net cash from operating activities</b>	<b>484.32</b>	<b>331.49</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Capital expenditure on fixed assets including capital advances	(311.52)	(522.28)
	Sale of fixed assets	0.51	0.14
	Purchases of current investments	(1,664.00)	(1,920.50)
	Sale of current investments	1,665.04	1,921.32
	Interest received	20.66	20.54
	Bank balances not considered as cash and cash equivalents		
	-Deposits placed	(64.96)	(26.53)
	-Deposits matured	63.20	26.56
	<b>Net cash used in investing activities</b>	<b>(291.07)</b>	<b>(500.75)</b>

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**Bharat Aluminium Company Limited**

**Cash Flow Statement for the year ended March 31, 2016**

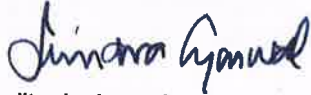
(Rupees in crores)

SI No	Particulars	March 31, 2016	March 31, 2015
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Net proceeds from short term borrowings with maturity of 3 months or less	(1,391.15)	812.96
	Proceeds from long-term borrowings	1,925.36	526.26
	Proceeds from other-short term borrowings	1,167.32	1,203.33
	Repayment of long-term borrowings	(409.76)	(665.71)
	Repayment of other short-term borrowings	(1,047.06)	(1,325.27)
	Interest and finance charges paid	(428.86)	(382.08)
	<b>Net cash used in financing activities</b>	<b>(184.15)</b>	<b>169.49</b>
	<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>9.10</b>	<b>0.23</b>
	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>1.43</b>	<b>1.20</b>
	<b>Cash and cash equivalents as at the end of the year</b>	<b>10.53</b>	<b>1.43</b>
	<b>Reconciliation of Cash and cash equivalents with the balance sheet</b>		
	Cash and cash equivalents as per balance sheet (refer note no 18)	12.38	1.54
	Less:- Bank balances not considered as cash and cash equivalents	(1.85)	(0.11)
	<b>Cash and Bank balance as at the end of the year</b>	<b>10.53</b>	<b>1.43</b>

**Notes:**

- 1) Bank balances not considered as cash and cash equivalents consists of fixed deposits amounting to Rs. 1.85 Cr (PY: Rs. 0.11 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



Jitendra Agarwal  
Partner

For and on behalf of the Board of Directors



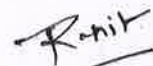
S K Roongta  
Director



Ramesh Nair  
CEO & Whole-time Director



Sandeep Agrawal  
Chief Financial Officer



Rohit Sarma  
Company Secretary

Place : Mumbai  
Date : April 21, 2016

### Note 1 : Company's Overview

Bharat Aluminium Company Limited (referred to as "BALCO" or "the Company" hereinafter) was incorporated under the laws of the Republic of India with its registered office at New Delhi having 2.45 lacs mtpa aluminium plant and 3.25 lacs mtpa aluminum expansion smelter ( 25% capacity is operational) with 2010 MW of power plant comprising captive power plant of 270 MW, 540 MW, 600 MW and independent power plant of 600 MW (of which 300MW is yet to be commissioned) at Korba (Chhattisgarh). BALCO has captive Bauxite mines at Mainpat and Bodai Daldali and a coal mine at Chotia in Chhattisgarh. Vedanta Limited and the Government of India respectively hold 51% and 49% of the paid up equity share capital of BALCO.

### 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 and the relevant provisions of the Companies Act, 2013 ("the 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 grant 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. Mine development expenditure includes leases, costs incurred for acquiring or developing properties or rights up to the stage of commercial production.

#### 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. 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 Mine development expenditure is amortized in proportion to the annual ore raised to the remaining mineable ore reserves. In the year of abandonment of mine, the residual mine development expenditure is written off.
- iii Plant and machinery includes rolling mill and furnaces depreciated over 30 years
- iv 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.

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**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**

**Short term**

(a) 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**

Particulars	(Rupees in Crores)			
	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Rs.	Number of shares	Rs.
<b>Authorised</b>				
50,00,00,000 Equity shares of Rs.10 each	500,000,000	500.00	500,000,000	500.00
<b>Issued</b>				
Equity shares of Rs.10 each	220,624,500	220.62	220,624,500	220.62
<b>Issued, subscribed and fully Paid up</b>				
Equity shares of Rs.10 each fully paid	220,624,500	220.62	220,624,500	220.62
<b>Total</b>	<b>220,624,500</b>	<b>220.62</b>	<b>220,624,500</b>	<b>220.62</b>

**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, 2016		As at March 31, 2015	
	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

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 previous year FY14. 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, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	a) Vedanta Limited (formerly known as Sesa Sterlite Limited ) and their nominees	112,518,495	51%	112,518,495
b) Government of India	108,106,005	49%	108,106,005	49%
<b>Total</b>	<b>220,624,500</b>	<b>100%</b>	<b>220,624,500</b>	<b>100%</b>

**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, 2016	March 31, 2015
<b>(a) Capital reserves</b>		
Opening balance	9.20	9.20
Closing balance	<b>9.20</b>	<b>9.20</b>
<b>(b) Debenture redemption reserve</b>		
Opening balance	187.50	129.46
Add : Additions during the year		
Transferred from surplus in statement of profit and loss		58.04
Less : Transfer to surplus in statement of profit and loss	(41.67)	
Closing balance	<b>145.83</b>	<b>187.50</b>
<b>(c) General Reserve</b>		
Opening balance	430.31	430.31
Closing balance	<b>430.31</b>	<b>430.31</b>
<b>(d) Hedging Reserve</b>		
Opening Balance	2.67	0.55
Add : Cash flow hedge transferred	(4.48)	3.21
Less : Deferred tax provided/reversed	1.38	(1.09)
Closing Balance	<b>(0.43)</b>	<b>2.67</b>
<b>(e) Surplus in statement of profit and loss</b>		
Opening balance	3,520.07	3,578.53
Add: Profit/(Loss) for the year	(679.61)	6.00
Add: Transfer from/(to) Debenture redemption reserve	41.67	(58.04)
Add : Income tax Refund	20.88	-
Less: Depreciation transfer to retained earnings (refer Note 13 (a) )	-	(9.73)
Less: Deferred tax provided/reversed	-	3.31
Closing balance	<b>2,903.01</b>	<b>3,520.07</b>
<b>Total</b>	<b>3,487.92</b>	<b>4,149.75</b>

**Note 5 -Long-term borrowings**

( Rupees in Crores)

Particulars	March 31, 2016	March 31, 2015
<b>Secured</b>		
(a) Non Convertible Debentures <sup>1,2</sup>	500.00	750.00
(b) Term loans <sup>3,4,5,6,7,8</sup>	1,591.68	-
(c) External commercial borrowings from banks <sup>9,10</sup>	1,216.15	1,251.82
(d) Buyers' credit from banks <sup>11</sup>	9.91	311.31
<b>Total</b>	<b>3,317.74</b>	<b>2,313.13</b>

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Terms and conditions of long-term borrowings	March 31, 2016	March 31, 2015
1. 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
2. 5000 10.25% August 2017 Non Convertible Debentures of Rs 10 Lacs each redeemable at Par in single installments on 07th August 2017. Secured by First pari passu charge over Fixed Assets of the Company.	500.00	500.00
3. Rupee Term Loan of Rs 300 Cr from State Bank of Hyderabad at 50 bps over base rate payable monthly (effective interest rate 10.25% p.a.). Principal amount repayable in 28 quarterly installment starting from March 2017. Secured by first pari passu charge on moveable fixed assets of Company	298.50	-
4. Rupee Term Loan of Rs 500 Cr from Dena Bank at 50 bps over base rate payable monthly. (Effective interest rate 10.20% p.a.) Principal amount is repayable in 28 quarterly installment starting from March 2017. Secured by first pari passu charge on moveable fixed assets of Company	497.50	-
5. Rupee Term Loan of Rs 150 Cr from State Bank of Mysore at 50 bps over base rate payable monthly. (Effective interest rate 10.15% p.a.) Principal amount is repayable in 28 quarterly installment starting from March 2017. Secured by first pari passu charge on moveable fixed assets of Company	149.25	-
6. Rupee Term Loan of Rs 200 Cr from State Bank of Patiala at 50 bps over base rate payable monthly. (Effective interest rate 10.15% p.a.) Principal amount is repayable in 28 quarterly installment starting from April 2017. Secured by first pari passu charge on moveable fixed assets of Company	200.00	-
7. Rupee Term Loan of Rs 150 Cr from South Indian Bank at 25 bps over base rate payable monthly. (Effective interest rate 10.25% p.a.) Principal amount is repayable in 28 quarterly installment starting from March 2017. Secured by first pari passu charge on moveable fixed assets of Company	149.25	-
8. Rupee Term Loan of Rs 298.67 Cr from UCO Bank at 50 bps over base rate payable monthly. (Effective interest rate 10.20% p.a.) Principal amount is repayable in 28 quarterly installment starting from March 2017. Secured by first pari passu charge on moveable fixed assets of Company	297.18	-
9. 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.	884.48	1,251.82
10. External commercial borrowings from ICICI Bank Dubai of USD 50 Million repayable in three installment: First installment of USD 13 Million on August 19, 2019, second installment of USD 14 Million on August 19, 2020 and final installment of USD 23 Million on August 19, 2021. The rate of interest payable on this facility is 3 month LIBOR plus 240 basis points. The facility was secured by first pari passu charges on all movable project assets related to 1200 MW power project and 3.25 LTPA Smelter projects both present and future along with secured lenders.	331.67	0.00
11. Buyers' credit from ICICI Bank is repayable in May 2017. The interest rate on these facilities is LIBOR plus 107 basis points (PY: LIBOR plus 120 basis points). The facility is secured by exclusive charge on assets to be imported under the facilities.	9.91	311.31
<b>Total</b>	<b>3,317.74</b>	<b>2,313.13</b>

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**Note 6 - Deferred tax liabilities (net)**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
(a) Tax effect of items constituting deferred tax liability		
<b>Deferred tax liability:</b>		
Depreciation	327.87	297.51
Others	-	1.37
	<b>327.87</b>	<b>298.88</b>
(b) Tax effect of items constituting deferred tax assets		
<b>Deferred tax asset:</b>		
On employee benefits	67.46	68.19
Unabsorbed Depreciation <sup>1</sup>	249.85	177.90
Others	10.56	6.74
	<b>327.87</b>	<b>252.83</b>
<b>Total</b>	<b>-</b>	<b>46.05</b>

1. Deferred tax asset on unabsorbed depreciation has been recognised to the extent of deferred tax liability at the year end. In the absence of virtual certainty, deferred tax asset on balance amount of unabsorbed depreciation and business losses has not been recognised.

**Note 7 - Other Long-term liabilities**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
(a) Capital creditors	104.94	206.29
(b) Fair value of derivative liability	0.18	4.49
<b>Total</b>	<b>105.12</b>	<b>210.78</b>

**Note 8 - Long-term provisions**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
(a) Provision for employee benefits	116.58	154.62
<b>Total</b>	<b>116.58</b>	<b>154.62</b>

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**Note 9 - Short-term borrowings**

( Rupees in Crores)

Particulars	March 31, 2016	March 31, 2015
<b>Secured</b>		
(a) Loans repayable on demand from Banks <sup>1</sup>	117.39	48.98
(b) Working capital loan <sup>2</sup>	3.43	2.99
(c) Buyers' credit from banks <sup>3,4</sup>	394.40	251.86
	<b>515.22</b>	<b>303.83</b>
<b>Unsecured</b>		
(a) Buyers' credit from banks <sup>5</sup>	307.62	404.37
(b) Commercial Paper <sup>6</sup>	525.00	1,985.00
(c) Export Packing Credit <sup>7</sup>	86.06	-
	<b>918.68</b>	<b>2,389.37</b>
<b>Total</b>	<b>1,433.90</b>	<b>2,693.20</b>

Terms and conditions of Short-term borrowings	March 31, 2016	March 31, 2015
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 9.56%. (PY : 10.54%)	117.39	48.98
2. 9.35% p.a. (PY 10% p.a.) 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	3.43	2.99
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.	378.42	222.64
4. Short Term project buyers' credit from ICICI Bank Limited is secured by way of exclusive charge on assets to be imported under the facilities	15.98	29.22
5. Buyers' credit from HDFC Bank, Yes Bank, Kotak Mahindra Bank and IndusInd Bank (unsecured)	307.62	404.37
6. Commercial Paper issued to Asset Management Companies guaranteed by unconditional and irrevocable corporate guarantee from Vedanta Limited on unsecured basis at average rate of interest of 9.89% (PY: 8.95%) Maximum amount outstanding during the year Rs 2250 Cr (PY: Rs 2075 Cr)	525.00	1,985.00
7. 9.30% p.a. unsecured export packing credit from HDFC Bank.	86.06	-
<b>Total</b>	<b>1,433.90</b>	<b>2,693.20</b>

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**Note 10 - Trade payables**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
(a) Due to Micro enterprises and small enterprises (Refer Note No.50)	2.88	0.72
(b) Due to related parties	106.95	41.48
(c) Others (for Suppliers and services)	817.06	559.55
<b>Total</b>	<b>926.89</b>	<b>601.75</b>

**Note 11 - Other Current Liabilities**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
(a) Current maturities of long-term debt <sup>1</sup>	1,059.01	449.23
(b) Interest accrued but not due on borrowings	71.14	83.18
(c) Other payables		
Capital creditors	611.45	556.60
Statutory liabilities	41.63	41.08
Fair value of derivative liability	35.60	11.29
Due to related parties	37.42	8.24
Advance from customers	87.96	87.48
Liability under litigation, salary, security deposits and others	171.54	147.25
<b>Total</b>	<b>2,115.75</b>	<b>1,384.35</b>

1. Current maturity of long term debt	March 31, 2016	March 31, 2015
Non convertible Debentures	250.00	416.67
External Commercial Borrowing from State Bank of India	442.18	-
Buyers' credit from ICICI Bank	359.84	32.56
Term Loan	6.99	-
<b>Total</b>	<b>1,059.01</b>	<b>449.23</b>

**Note 12 - Short-term provisions**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
(a) Provision for employee benefits	10.83	17.58
(b) Provision for tax (net)	2.24	2.57
<b>Total</b>	<b>13.07</b>	<b>20.15</b>

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Note 13 - Fixed Assets

	Gross Block				Accumulated Depreciation / Amortisation				Net Block		
	Balance as at April 1, 2015	Additions /adjustments	Deductions /adjustments	Balance As at March 31, 2016	Balance as at April 1, 2015	Charge for the year	Deductions	Adjustments (note no a)	Balance As at March 31, 2016	Balance as at April 1, 2015	Balance As at March 31, 2016
<b>Fixed Assets</b>											
<b>Tangible Assets</b>											
Freehold land	4.93	0.07	-	5.00	-	-	-	-	-	4.93	5.00
(Previous Year)	4.93	-	-	4.93	-	-	-	-	-	4.93	4.93
Leasehold land	41.93	-	-	41.93	31.38	1.72	-	-	33.10	10.55	8.83
(Previous Year)	39.48	2.45	-	41.93	29.69	1.08	-	0.61	31.38	9.79	10.55
Buildings	1,412.70	330.63	-	1,743.33	412.02	123.54	-	-	535.56	1,000.68	1,207.77
(Previous Year)	659.13	753.65	0.08	1,412.70	350.69	56.59	-	4.54	412.02	308.24	1,000.68
Railway siding	59.32	-	-	59.32	39.66	3.82	-	-	43.48	19.66	15.84
(Previous Year)	54.33	4.99	-	59.32	36.98	2.68	-	-	39.66	17.35	19.66
Plant and equipment	5,450.93	3,525.92	0.87	8,975.98	3,303.43	271.11	0.06	-	3,574.48	2,147.50	5,401.50
(Previous Year)	4,378.56	1,116.46	44.09	5,450.93	3,166.92	165.49	32.86	3.88	3,303.43	1,211.64	2,147.50
Furniture and fixtures	21.49	0.54	0.04	21.99	13.23	2.96	0.01	-	16.18	8.26	5.81
(Previous Year)	17.89	3.61	0.01	21.49	11.42	1.80	-	0.01	13.23	6.47	8.26
Vehicles	28.44	0.42	0.60	28.26	7.33	6.15	0.09	-	13.39	21.11	14.87
(Previous Year)	6.33	22.85	0.74	28.44	3.93	3.77	0.41	0.04	7.33	2.40	21.11
Office equipment	33.86	2.91	0.13	36.64	29.84	1.64	0.11	-	31.37	4.02	5.27
(Previous Year)	31.93	1.94	0.01	33.86	27.24	1.96	0.01	0.65	29.84	4.69	4.02
Mine development	0.39	83.22	-	83.61	0.39	0.37	-	-	0.76	-	82.85
(Previous Year)	0.39	-	-	0.39	0.39	-	-	-	0.39	-	-
<b>Total</b>	<b>7,053.99</b>	<b>3,943.71</b>	<b>1.64</b>	<b>10,996.06</b>	<b>3,837.28</b>	<b>411.31</b>	<b>0.27</b>	<b>-</b>	<b>4,248.32</b>	<b>3,216.71</b>	<b>6,747.74</b>
<b>Previous Year</b>	<b>5,192.97</b>	<b>1,905.95</b>	<b>44.93</b>	<b>7,053.99</b>	<b>3,627.46</b>	<b>233.37</b>	<b>33.28</b>	<b>9.73</b>	<b>3,837.28</b>	<b>1,565.51</b>	<b>3,216.71</b>
<b>Intangible Assets</b>											
Computer Software	7.88	-	-	7.88	5.07	2.25	-	-	7.32	2.81	0.56
(Previous Year)	7.88	-	-	7.88	2.82	2.25	-	-	5.07	5.06	2.81
<b>Total</b>	<b>7.88</b>	<b>-</b>	<b>-</b>	<b>7.88</b>	<b>5.07</b>	<b>2.25</b>	<b>-</b>	<b>-</b>	<b>7.32</b>	<b>2.81</b>	<b>0.56</b>
<b>Previous Year</b>	<b>7.88</b>	<b>-</b>	<b>-</b>	<b>7.88</b>	<b>2.82</b>	<b>2.25</b>	<b>-</b>	<b>-</b>	<b>5.07</b>	<b>5.06</b>	<b>2.81</b>
<b>Grand Total</b>	<b>7,061.87</b>	<b>3,943.71</b>	<b>1.64</b>	<b>11,003.94</b>	<b>3,842.35</b>	<b>413.56</b>	<b>0.27</b>	<b>-</b>	<b>4,255.64</b>	<b>3,219.52</b>	<b>6,748.30</b>
<b>Previous Year</b>	<b>5,200.85</b>	<b>1,905.95</b>	<b>44.93</b>	<b>7,061.87</b>	<b>3,630.28</b>	<b>235.62</b>	<b>33.28</b>	<b>9.73</b>	<b>3,842.35</b>	<b>1,570.57</b>	<b>3,219.52</b>

(a) In accordance with the Companies Act, 2013, Rs 9.73 Cr had been reduced from net block of assets and transferred to retained earning during financial year ending March 31, 2015.

(b) The land transferred to the Company by National Thermal Power Corporation Ltd. (NTPC) vide agreement dated June 20, 2002 comprising of 171.44 acres land for the company's 270 MW captive power plant and its allied facilities and 34.74 acres land for staff quarters of the said captive power plant is yet to be registered in favour of the company due to non availability of title deeds from NTPC.

(c) Certain land and quarters of the Company including 40 nos. of Company's quarters at Bidhan Bagh Unit and 300.88 acres of land at Korba and Bidhan Bagh have been unauthorisedly occupied for which the company is evaluating the options for evacuation.

(d) The Division Bench of the Hon'ble High Court of Chhattisgarh has vide its order dated February 25, 2010, upheld that the Company is in legal possession of 1804.67 acres of Government land. Subsequent to the said order, the State Government has decided to issue the lease deed in favour of the Company after the issue of forest land is decided by the Hon'ble Supreme Court. In the proceedings before the Hon'ble Supreme Court pursuant to public interest litigation filed, it has been alleged that land in possession of the Company is being used in contravention of the Forest Conservation Act, 1980 even though the said land has been in its possession prior to the promulgation of the Forest Conservation Act, 1980 on which its aluminium complex, allied facilities and township were constructed between 1971-76. The Central Empowered Committee of the Supreme Court has already recommended ex-post facto diversion of the forest land in possession of the Company. The matter is presently sub-judice before the Hon'ble Supreme Court.

**Note 14 - Long term loans and advances**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
<b>Unsecured, considered good (unless otherwise stated)</b>		
(a) Capital advances	94.96	173.03
(b) Security deposits	37.13	28.51
(c) Advance Income Tax (net of provision)	14.20	12.15
(d) Other loans and advances	0.86	2.33
(e) Claims and other receivables <sup>1,2</sup>	115.81	44.92
(f) Prepaid Expense	-	6.36
(g) Fair value of derivative assets	1.61	-
<b>Total</b>	<b>264.57</b>	<b>267.30</b>

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 (PY: 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. 10.93 Cr (PY: Rs. 10.68 Cr) . The net amount recoverable/payable can be ascertained on settlement of the disputes.

2. Includes Rs 53.67 Cr towards Taraimar Coal block which stands deallocated.

**Note 15 - Other non current assets**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
(a) Long term trade receivables		
Unsecured, considered good	34.10	34.10
(b) Unamortised Expenses	8.21	4.88
<b>Total</b>	<b>42.31</b>	<b>38.98</b>

**Note 16 - Inventories**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
(a) Raw materials		
Goods-in-transit	176.99	224.48
	120.80	74.46
	<b>297.79</b>	<b>298.94</b>
(b) Coal and fuel		
Goods-in-transit	75.25	47.72
	25.75	63.61
	<b>101.00</b>	<b>111.33</b>
(c) Work-in-progress <sup>1</sup>	<b>117.11</b>	<b>170.52</b>
(d) Finished goods		
Aluminium Ingot, Billets, Slabs, Bus Bar, Alloy Ingots	0.83	-
Wire rods	2.97	9.20
Rolled products	0.43	5.66
	<b>4.23</b>	<b>14.86</b>
(e) By-product	<b>0.93</b>	<b>0.81</b>
(f) Stores and spares		
Goods-in-transit	86.29	85.26
	4.14	1.43
	<b>90.43</b>	<b>86.69</b>
<b>Total<sup>2</sup></b>	<b>611.49</b>	<b>683.15</b>

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

2. For mode of valuation for each class of inventories, refer note number 2(J)

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**Note 17 - Trade Receivables**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
<b>(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	3.65	6.14
Unsecured, considered doubtful	0.22	0.22
Less: Provision for doubtful debts	(0.22)	(0.22)
	<b>3.65</b>	<b>6.14</b>
<b>(b) Other trade receivables</b>		
Unsecured, considered good		
Due from related party	-	8.59
Others	41.09	59.48
	<b>41.09</b>	<b>68.07</b>
<b>Total</b>	<b>44.74</b>	<b>74.21</b>

**Note 18 - Cash and Bank Balance**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
<b>(a) Cash and cash equivalents</b>		
Balances with banks	10.37	1.38
Cash on hand	0.16	0.05
<b>(b) Other bank balances</b>		
Bank deposits (maturity of less than or equal to twelve months) <sup>2</sup>	1.85	0.11
<b>Total<sup>1</sup></b>	<b>12.38</b>	<b>1.54</b>

1. Of the above, the balance Rs 10.53 Crs (PY: Rs 1.43 Crs) that meets the definition of Cash and cash equivalents as per Accounting Standard 3: Cash Flow statement

2. Rs 1.85 Crs (PY: Rs 0.11 Crs) on lien with banks.

**Note 19 - Short term loans and advances**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
<b>Unsecured, considered good (unless otherwise stated)</b>		
(a) Balance with central excise authorities	5.44	55.90
(b) Security deposits	1.04	7.01
(c) Advance to suppliers and contractors	171.05	235.32
(d) Advances to employees	2.94	1.14
(e) Prepaid expenses	4.18	4.14
(f) Due from related parties	0.36	0.07
(g) Claims and other receivables	0.37	53.96
(h) Fair value of derivative assets	1.44	4.16
<b>Total</b>	<b>186.82</b>	<b>361.70</b>

**Note 20 - Other current assets**

Particulars	( Rupees in Crores)	
	March 31, 2016	March 31, 2015
(a) Export incentive receivable	3.96	16.03
(b) Unamortised expenses	7.25	25.57
<b>Total</b>	<b>11.21</b>	<b>41.60</b>

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**Note 21 - Revenue from operations**

(Rupees in Crores)

Particulars	Year ended March 31,	
	2016	2015
<b>Sale of products (gross)<sup>1</sup></b>	<b>5,351.35</b>	<b>5,241.55</b>
Export incentives	5.60	22.66
<b>Other operating revenue:</b>		
(i) Scrap sales	13.99	13.94
(ii) Unclaimed liabilities written back (net) (Refer Note No. 42)	62.41	0.43
(iii) Miscellaneous income	3.00	8.53
<b>Revenue from operation (gross)</b>	<b>5,436.35</b>	<b>5,287.11</b>
Less Excise duty on revenue from operation	(520.73)	(468.22)
<b>Revenue from operation (net)</b>	<b>4,915.62</b>	<b>4,818.89</b>

**1. Description of products sold:**

Particulars	Year ended March 31,	
	2016	2015
Aluminium Ingot, Billets, Slabs, Bus bar, Alloy Ingots	1,234.19	1,439.00
Wire rods	3,010.30	2,669.82
Rolled products	298.79	753.25
By product	7.77	9.32
Power wheeling	455.86	29.54
Alumina	320.91	331.87
Others	23.53	8.75
<b>Total</b>	<b>5,351.35</b>	<b>5,241.55</b>

**Note 22- Other income**

(Rupees in Crores)

Particulars	Year ended March 31,	
	2016	2015
<b>Interest income</b>		
(i) Deposits with bank	3.40	1.43
(ii) Others	17.25	19.11
Profit on sale of current investments	1.04	0.82
Net gain on foreign currency transactions and translation (other than considered as finance cost)	1.17	0.89
Rent	3.13	2.44
<b>Total</b>	<b>25.99</b>	<b>24.69</b>

**Note 23- Cost of materials consumed**

(Rupees in Crores)

Particulars	Year ended March 31,	
	2016	2015
Alumina <sup>1</sup>	1,397.86	1,449.69
C.T. Pitch	77.05	101.00
C.P.Coke	247.98	277.46
Aluminium fluoride	46.33	44.40
Others	30.02	38.76
Less: Capitalised for projects	(0.07)	(173.20)
<b>Total</b>	<b>1,799.17</b>	<b>1,738.11</b>

1. Alumina cost includes processing charges for the year Rs. 375.73 Cr (PY: Rs. 383.73 Cr)

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**Note 24- Purchases of Stock-in-Trade**

( Rupees in Crores)

Particulars	Year ended March 31,	
	2016	2015
Alumina	299.36	337.61
C.P.Coke	-	10.70
Coal	19.21	-
Others	4.31	1.72
<b>Total</b>	<b>322.88</b>	<b>350.03</b>

**Note 25 - Changes in inventories of finished goods, work-in-progress and stock-in-trade**

( Rupees in Crores)

Particulars	Year ended March 31,	
	2016	2015
<b>Opening Stock:</b>		
Finished goods	14.86	4.81
Work in progress	170.52	155.25
By products	0.81	0.61
	<b>186.19</b>	<b>160.67</b>
<b>Closing Stock</b>		
Finished goods	4.23	14.86
Work in progress	117.11	170.52
By products	0.93	0.81
	<b>122.27</b>	<b>186.19</b>
<b>Total</b>	<b>63.92</b>	<b>(25.52)</b>

**Note 26 - Employee benefits expense**

( Rupees in Crores)

Particulars	Year ended March 31,	
	2016	2015
(a) Salaries and wages	226.42	255.75
(b) Contributions to provident and other funds	23.85	49.45
(c) Staff welfare expenses	41.85	47.38
(d) Long term incentive plan (LTIP) (Refer Note No.43)	11.31	19.61
<b>Total</b>	<b>303.43</b>	<b>372.19</b>

**Note 27 - Finance cost**

( Rupees in Crores)

Particulars	Year ended March 31,	
	2016	2015
Interest expense		
(i) on loans	174.91	74.67
(ii) on others	16.49	10.63
Forward Premium	49.36	52.92
Net loss on foreign currency transactions and translation (considered as finance cost)	15.95	15.74
Bank charges	1.29	2.00
<b>Total</b>	<b>258.00</b>	<b>155.96</b>

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**Note 28 - Other expenses**

Particulars	(Rupees in Crores)	
	Year ended March 31,	
	2016	2015
Consumption of stores and spare parts	90.15	107.14
Machinery repairs	121.17	110.60
Building repairs	5.72	15.41
Other repairs	22.78	25.59
Excise duty <sup>1</sup>	0.07	(0.79)
Other manufacturing and operating expenses	40.60	32.48
Rent	1.15	0.46
Rates and taxes	7.36	5.43
Insurance	8.66	8.14
Conveyance and travelling expenses	10.41	14.82
Loss on sale of fixed assets	0.86	1.95
Directors' sitting fees	0.09	0.05
Bad debts/advances/claims written off	-	0.85
Payments to auditors <sup>2</sup>	1.10	1.16
Consultants and professional fees	29.11	18.43
Contribution to Cancer Research Hospital (VMRF) <sup>3</sup> (Refer Note No. 49)	17.59	4.19
Corporate Social Responsibility Expenses (Refer Note No. 49)	3.70	3.13
Advertisement and publicity	2.90	6.21
Carriage outward	21.06	39.02
Packing expenses	16.16	14.52
Other selling expenses	3.19	3.91
Cash discount	0.13	0.29
Power scheduling charges	2.75	(10.60)
Others (Refer Note No. 42)	38.02	32.04
<b>Total</b>	<b>444.73</b>	<b>434.43</b>

1. Excise duty	Year ended March 31,	
	2016	2015
Difference between closing and opening stock	-	0.15
Shortages, etc.	(0.17)	(0.94)
<b>Total</b>	<b>0.07</b>	<b>(0.79)</b>

2. Payments to auditors	Year ended March 31,	
	2016	2015
As Auditor - for statutory audit and limited reviews	0.72	0.68
For other services	0.37	0.43
Reimbursement of expenses	0.01	0.05
<b>Total</b>	<b>1.10</b>	<b>1.16</b>
Service/cess tax on above	0.14*	0.14*
*Subject to cenvat credit		

3. The Company has made contribution towards Cancer Research Hospital being set up by Vedanta Medical Research Foundation (VMRF) at Raipur (Chhattisgarh) as a part of its Corporate Social Responsibility initiative in healthcare.

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**29 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. 14.68 cr (2015: Rs. 15.87 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	Mar 16	Mar 15
Provident fund	11.08	12.87
Family Pension Scheme	3.60	3.00

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, 2016. 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) Defined Benefit Plan - Unfunded**

**i. Gratuity- long term defined benefit plan:**

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

<u>Movement in present value of defined benefit obligation</u>	Mar 16	Mar 15
Obligation at the beginning of the year	113.46	112.33
Current service cost	1.83	3.04
Interest cost	7.09	8.59
Actuarial loss/(gain)	0.61	23.28
Benefits paid	(45.06)	(33.78)
<b>Obligation at the end of the year</b>	<b>77.93</b>	<b>113.46</b>

<u>Amount recognised in the balance sheet</u>	Mar 16	Mar 15
Present value of obligations at the end of the year	77.93	113.46
Less: Fair value of plan assets at the end of the year	-	-
<b>Net liability recognised in the balance sheet (includes current liability Rs. 7.23 Cr (PY: Rs. 12.43 Cr))</b>	<b>(77.93)</b>	<b>(113.46)</b>

<u>Amount recognised in the Statement of profit and loss</u>	Mar 16	Mar 15
Current service cost	1.83	3.04
Interest cost	7.09	8.59
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the period	0.61	23.28
Past service costs	-	-
<b>Total</b>	<b>9.53</b>	<b>34.91</b>

<u>Actuarial assumptions #</u>	Mar 16	Mar 15
Salary growth :-		
Executive	7.0%	7.0%
Non Executive	5.0%	5.0%
Discount rate	8.0%	7.8%
Expected return on plan assets	NA	NA

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Indian Assured Lives (2006-08)  
modified ultimate

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	<u>Mar 16</u>	<u>Mar 15</u>	<u>Mar 14</u>	<u>Mar 13</u>	<u>Mar 12</u>
<b><u>Experience adjustments</u></b>					
Present value of the obligation	77.93	(113.46)	(112.33)	(112.63)	(102.97)
Fair value of plan assets	-	-	-	-	0.89
Surplus / (deficit) in the plan	(77.93)	(113.46)	(112.33)	(112.63)	(102.08)
Experience adjustment on plan liabilities	(1.76)	(12.12)	(10.49)	(8.54)	(9.73)
Experience adjustment on plan assets	-	-	-	(0.04)	0.08
Actuarial Gain/(Loss) due to change on assumptions	1.15	(11.16)	5.33	(2.09)	2.04

## II. Post Employment Medical Benefits

The scheme is framed with a view to provide medical benefits to the regular employees of the company and their spouses subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis subject to provisions as detailed hereunder:

### Movement in present value of defined benefit obligation

	<u>Mar 16</u>	<u>Mar 15</u>
Obligation at the beginning of the year	19.41	15.03
Current service cost	0.07	0.07
Interest cost	1.47	1.31
Plan amendments cost	-	-
Actuarial loss/(gain)	3.40	3.97
Benefits paid	(1.09)	(0.97)
<b>Obligation at the end of the year</b>	<b>23.26</b>	<b>19.41</b>

### Amount recognised in the balance sheet

	<u>Mar 16</u>	<u>Mar 15</u>
Present value of obligations at the end of the year	23.26	19.41
Less: Fair value of plan assets at the end of the year	-	-
Funded/(Unfunded) status	(23.26)	(19.41)
<b>Net liability recognised in the balance sheet</b> (Includes current liability Rs. 1.77 cr (PY: Rs. 1.45 cr))	<b>(23.26)</b>	<b>(19.41)</b>

### Amount recognised in the Statement of profit and loss

	<u>Mar 16</u>	<u>Mar 15</u>
Current service cost	0.07	0.07
Interest cost	1.47	1.31
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the period	3.40	3.97
Past service costs	-	-
<b>Total</b>	<b>4.94</b>	<b>5.35</b>

### Actuarial assumptions #

	<u>Mar 16</u>	<u>Mar 15</u>
Salary growth :-		
Executive	7.0%	7.0%
Non Executive	5.0%	5.0%
Discount rate	8.0%	7.8%
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
Post Retirement Mortality		

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	<u>Mar 16</u>	<u>Mar 15</u>	<u>Mar 14</u>	<u>Mar 13</u>	<u>Mar 12</u>
<b><u>Experience adjustments</u></b>					
Present value of the obligation	(23.26)	(19.41)	(15.03)	(13.67)	(12.13)
Surplus / deficit in the plan	(23.26)	(19.41)	(15.03)	(13.67)	(12.13)
Experience adjustment on plan liabilities	(3.83)	(1.90)	(2.60)	(0.72)	(1.55)
Actuarial Gain/(Loss) due to change on assumptions	0.43	(2.07)	1.44	(0.49)	0.47

	<u>Mar 16</u>		<u>Mar 15</u>	
Medical inflation	4%	6%	4%	6%
Liability as at 31st March	22.52	24.13	18.73	20.21
Service Cost + Interest Cost	1.82	1.96	1.47	1.59

**III. 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.

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### 30 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.

The Company has classified 600 MW power plant into power segment, which hitherto was considered as part of aluminium segment. Segment assets and liabilities pertaining to these power units are reclassified from aluminium segment to power segment during the year. Previous period figures are also regrouped accordingly.

a) Information based on the primary business segment

(Rupees In Crores)

Particulars	FY16				FY15			
	Aluminium	Power	Eliminations	Total	Aluminium	Power	Eliminations	Total
<b>Revenue</b>								
External sales	4,441.32	394.90		4,836.22	4,766.45	29.54		4,795.99
Inter segment sales		326.96	(326.96)	-		512.27	(512.27)	-
<b>Enterprise revenue</b>	<b>4,441.32</b>	<b>721.86</b>	<b>(326.96)</b>	<b>4,836.22</b>	<b>4,766.45</b>	<b>541.81</b>	<b>(512.27)</b>	<b>4,795.99</b>
<b>Results</b>								
Segment result	(442.06)	21.75		(420.31)	177.90	(0.84)		115.91
<b>Operating profit / (loss)</b>	<b>(442.06)</b>	<b>21.75</b>		<b>(420.31)</b>	<b>177.90</b>	<b>(0.84)</b>		<b>177.06</b>
Less : Exceptional item	68.93			68.93	72.16			72.16
Less : Interest expenses				258.00				155.96
Less : Unallocated Expenses (net off Income)				22.94				5.40
Less : Income tax				(44.68)				(51.66)
<b>Net profit / (loss)</b>	<b>(510.99)</b>	<b>21.75</b>		<b>(679.61)</b>	<b>87.34</b>	<b>(0.84)</b>		<b>6.00</b>
Segment assets	8,786.49	2,905.64		11,692.14	9,223.33	2,522.78		11,746.11
Unallocated corporate assets				45.45				48.29
<b>Total assets</b>	<b>8,786.49</b>	<b>2,905.64</b>		<b>11,737.59</b>	<b>9,223.33</b>	<b>2,522.78</b>		<b>11,794.40</b>
Segment liabilities	117.68	1,954.14		2,071.82	1,258.07	554.57		1,812.64
Unallocated corporate liabilities				5,957.23				5,611.39
<b>Total liabilities</b>	<b>117.68</b>	<b>1,954.14</b>		<b>8,029.05</b>	<b>1,258.1</b>	<b>554.57</b>		<b>7,424.03</b>
Capital expenditures	188.51	386.49		575.00	568.24	154.89		723.13
Depreciation and amortisation expense	341.84	71.72		413.56	231.73	3.89		235.62

b) Information based on secondary segment (geographical segment)

(Rupees in Crores)

	FY16	FY15
	<b>Revenue by geographical segment based on location of customers</b>	
India	4,643.12	4,052.60
Outside India	193.10	743.39
<b>Total</b>	<b>4,836.22</b>	<b>4,795.99</b>
<b>Carrying amount of segment assets based on location of assets</b>		
India	11,737.59	11,794.40
Outside India	-	-
<b>Total</b>	<b>11,737.59</b>	<b>11,794.40</b>
<b>Capital expenditure</b>		
India	575.00	723.13
Outside India	-	-

Reconciliation between segment revenue and enterprise revenue

(Rupees in Crores)

Particulars	FY16	FY15
<b>Segment Revenue</b>		
Aluminium	4,441.32	4,766.45
Power	721.86	541.81
Elimination	(326.96)	(512.27)
<b>Total Segment Revenue</b>	<b>4,836.22</b>	<b>4,795.99</b>
<b>Enterprise revenue</b>		
Sale of products and export incentives	5,356.95	5,264.21
Less Excise Duty	(520.73)	(468.22)
<b>Total Enterprise Revenue</b>	<b>4,836.22</b>	<b>4,795.99</b>

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**31 A. Names of related parties and description of relation :**

- (i) Holding companies: Immediate: Ultimate in U.K.  
Vedanta Limited (VL) (Erstwhile Sesa Sterilite Limited (SSL))  
Vedanta Resources Plc.
- (ii) Fellow subsidiaries  
Hindustan Zinc Limited (HZL)  
Meritime Ventures Private Limited (MVPL)  
Talwandi Sabo Power Limited (TSPL)  
Vrzag General Cargo Berth Pvt. Limited (VGCB)
- (iii) Others  
Vedanta Foundation (VF)  
Vedanta Medical Research Foundation (VMRF)\*  
Sterilite Technologies Limited (STL)
- (iv) Key Personnel  
Mr Ramesh Nair, CEO and Whole-time Director

**B. Transactions with related parties:**

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

Nature of transactions	VL		Fellow subsidiaries						Others						Total Amount		
	FY 16	FY 15	FY 16			FY 15			FY 16		FY 15		FY 16	FY 15	FY 16	FY 15	
			HZL	MVPL	TSPL	VGCB	HZL	MVPL	TSPL	VGCB	VF	VMRF					STL
- Purchase of goods [includes conversion charges of Rs. 375.73 Cr (PY : 383.73Cr)]	932.27	1,031.39	-	-	-	-	-	-	-	-	-	-	-	-	-	932.27	1,031.39
- Purchase of Services	-	-	-	13.65	-	0.16	-	-	-	-	-	-	-	-	-	-	-
- Personnel services and apportionment of common group expenses	62.06	70.66	0.11	3.24	1.11	-	-	0.10	0.06	0.05	0.01	-	-	-	-	66.52	70.88
- Donation given and CSR contribution	-	-	-	-	-	-	-	-	-	-	-	-	0.12	17.59	-	17.71	4.29
- Corporate Guarantee Commission	2.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.44	-
- Recovery of Personnel services	5.44	5.00	0.10	-	0.48	-	-	0.05	0.13	-	-	-	-	-	-	6.02	5.17
- Sale of goods	256.00	350.67	12.86	-	-	-	22.96	-	-	-	-	100.80	-	-	-	369.66	430.65
- Material taken on loan basis	-	8.91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.91
- Material repaid back, taken on loan basis	2.47	6.44	-	-	-	-	-	-	-	-	-	-	-	-	-	2.47	6.44
- Balance As on March 31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Outstanding against Corporate Guarantee	525.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	525.00	-
Debit balance	@	-	-	0.36	-	-	-	1.79	0.10	0.06	-	-	-	-	-	0.36	8.76
Credit balance	141.07	49.39	0.74	-	0.01	-	0.19	0.33	-	-	-	2.55	-	-	1.33	144.37	51.23

@ less than Rs 1lac

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

(b) Key Management Personnel  
Managerial Remuneration

	(Rupees in Crores)
	FY 16
	FY 15
	1.93
	1.95

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	(Rupees in Crores)	
	<u>Mar 16</u>	<u>Mar 15</u>
<b>32 (a) Capital and other commitments</b>		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances).	323.31	444.18
<b>(b) Other commitments</b>		
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme	5,055.06	5,522.74
<b>33 Contingent Liabilities :</b>	<u>Mar 16</u>	<u>Mar 15</u>
<b>a) Claims against the company not acknowledged as debts are as follows :</b>		
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.*	537.79	485.45
ii. Relating to Property tax matter.*	70.91	-
iii. Relating to Suppliers and Contractors - Matter pending in Court / arbitration.*	27.91	27.91
iv. Relating to customers under contractual arrangements - Matter pending with court.*	34.10	34.10
v. Relating to Renewable energy purchase obligation *	-	135.78
vi. Electricity surcharge - Matter pending with Chhattisgarh State Electricity Board*	2.00	2.00
<b>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.)*</b>	0.65	0.65
<b>c) Custom duty against fulfillment of export obligation (Also refer note 32(b))</b>	637.55	694.15

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

**34** 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, 2016 amounts to Rs. 514.27 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.

**35** The non fund based facility utilized from banks of Rs. 1,898.84 Cr (PY: Rs 2,062.81 Cr) is secured by charge on current assets and fixed assets.

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36 The research and development expenses charged to statement of profit and loss account (including depreciation Rs. 1.18 cr (PY : 0.97 cr)) aggregates to Rs. 4.36 Cr (PY: Rs. 2.97 Cr).

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

<u>Expenses</u>	(Rupees in Crores)	
	<u>FY 16</u>	<u>FY 15</u>
Cost of materials consumed	0.07	173.16
Power and fuel	196.34	215.10
Consumption of stores and spare parts	0.27	4.99
Building repairs	0.00	0.19
Machinery repairs	3.05	8.31
Employee benefits expense	9.98	25.00
Finance Cost	192.97	263.42
Net gain / loss on foreign currency transactions and translation	142.95	104.36
Other Expenses	3.49	(1.77)
<b>Total</b>	<b>549.12</b>	<b>792.76</b>
<u>Income</u>		
Preoperative income:		
-- Sales/Other Income	158.16	346.45
<b>Total</b>	<b>158.16</b>	<b>346.45</b>
<b>Expenditure (net)</b>	<b>390.96</b>	<b>446.31</b>

38 Earnings per Share (EPS) :

<u>Particulars</u>	<u>FY 16</u>	<u>FY 15</u>
Net profit after tax for the period ( Rs in Cr)	(679.61)	6.00
Exceptional items (Rs in Cr)	68.93	72.16
Net profit after taxation for the period excluding exceptional items (Rs in Cr)	(610.68)	78.16
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) excluding exceptional items	(27.68)	3.54
Basic and Diluted earnings for ordinary shares (in Rs. per share)	(30.80)	0.27

39 The Company announced voluntary retirement to its employees under the revised Voluntary Retirement Scheme, 2000 . Under the scheme, 336 employees opted for Voluntary retirement. During the year ended March 31 2016, Rs 68.93 Cr paid/payable under the scheme is disclosed as exceptional item being non recurring in nature. (PY: The 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 42.75 Cr paid/payable under the scheme is disclosed as as exceptional item being non recurring in nature.)

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- 40 Pursuant to the Supreme Court decision dated September 24, 2014, the Company's Taraimar coal block stands deallocated. Prior to deallocation, the Company had incurred an amount of Rs. 84.48 Cr towards land, forest clearance and other directly attributable costs. Based on Coal Mines (Special Provisions) Ordinance, 2014, the Company made an assessment of the expenditure incurred for its recoverability and consequently charged an amount of Rs. 29.41 Cr in the Statement of Profit and loss for year ending March 31, 2015. The same has been disclosed as an exceptional item being non-recurring in nature.
- 41 Pursuant to the verdict of Hon'ble Supreme Court of India in May 2015 in the case of other group company, upholding the applicability of Renewable Power Obligations to thermal captive power plants, the Company has provided in June 2015 for liability of Rs 129.53 crores relating to the earlier years till March 31, 2015 which is included under 'Power and Fuel expenses'.
- 42 Pursuant to receipt of arbitration award, an amount of Rs. 58.06 crores being the accrued liabilities has been written back to Other operating income for the year ended March 31, 2016. Further, arising out of the same award, advances amounting to Rs.12.10 crores have been debited to Power and fuel expenses and Rs. 8.83 crores to Other expenses for the year ended March 31, 2016.

**43 Long term incentive plan (LTIP):**

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

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

The Parent has also granted awards under the ESOP scheme that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years. Under these schemes the Parent is obligated to issue the shares.

Further, in accordance with the terms of the agreement between the Parent and the Company, the fair value of the awards as on the grant date is recovered by the Parent from the Company and its subsidiaries. Amount recovered by the Parent and recognized by the Company in the Statement of Profit and Loss (net of capitalisation) for the year ended March 31, 2016 is Rs. 11.31 Crs (PY : Rs. 19.61 Crs). The Company considers these amounts as not material and accordingly has not provided further disclosures."

**44 Derivative transactions :**

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

**a) Forward exchange contracts****i. Currency**

Currency	Mar 16				Mar 15			
	Rupees in Crores	Foreign Currency in Million	Buy / Sell	Cross Currency	Rupees in Crores	Foreign Currency in Million	Buy / Sell	Cross Currency
EURO	25.15	3.37	Buy	USD	40.68	5.85	Buy	USD
EURO	0.35	0.05	Buy	INR	0.32	0.05	Buy	INR
GBP	0.76	0.08	Buy	USD	1.32	0.14	Buy	USD
AUD					0.31	0.07	Buy	USD
USD	2032.37	281.81	Buy	INR	1203.65	182.33	Buy	INR
CAD					0.25	0.05	Buy	INR
CAD	0.83	0.16	Buy	USD	1.37	0.28	Buy	USD

**ii. Commodity**

Commodity	Mar 16		Mar 15	
	Sale	Buy	Sale	Buy
Forward / Futures				
Aluminium (MT)	15775	250	14100	

**b) Unhedged foreign currency exposures****i. Amount receivable in foreign currency on account of the following:**

Receivable towards	Mar 16		Mar 15	
	Rupees in Crores	Foreign currency in USD Million	Rupees in Crores	Foreign currency in USD Million
Export of goods	2.81	0.42	1.57	0.25

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

Payable towards	Mar 16		Mar 15	
	Rupees in Crores	Foreign currency in USD Million	Rupees in Crores	Foreign currency in USD Million
Import of goods and services	477.01	71.91	595.93	95.21
Interest	8.85	1.33	7.26	1.16
Loans	999.05	150.61	1291.59	206.36

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**45 Indigenous and Imported materials consumed**

(Rupees in Crores)

Particulars	FY 16		FY 15	
	%	Value	%	Value
<b>Raw Material:</b>				
Indigenous	53.93	970.24	39.34	683.80
Imported	46.07	828.93	60.66	1,054.31
	<b>100.00</b>	<b>1,799.17</b>	<b>100.00</b>	<b>1,738.11</b>
<b>Components, Stores and spare parts:</b>				
Indigenous	83.93	85.67	71.67	93.48
Imported	16.07	16.40	28.33	36.95
	<b>100.00</b>	<b>102.07</b>	<b>100.00</b>	<b>130.43</b>

Components, stores and spare parts consumed debited under various heads in the Statement of profit and loss – Rs. 102.07 cr (PY: Rs. 130.43 cr).

**46 CIF value of imports :**

(Rupees in Crores)

Particulars	FY 16	FY 15
Raw materials <sup>#</sup>	505.51	556.59
Coal and Fuel <sup>#</sup>	190.15	254.09
Components, stores and spare parts	33.64	35.79
Capital goods	0.00	35.19
Trading goods	322.88	350.03
	<b>1,052.18</b>	<b>1,231.69</b>

<sup>#</sup> Goods purchased on high sea sale basis Rs. 317.22 Cr (raw material Rs 303.24 Cr and Coal Rs. 13.98 Cr) not included above.

**47 Expenditure in foreign currency :**

(Rupees in Crores)

Particulars	FY 16	FY 15
Professional and consultation fees	0.82	2.29
Interest	61.59	58.59
Travelling expenses	1.35	0.97
Other expenditures	1.00	6.92
	<b>64.76</b>	<b>68.77</b>

**48 Earning in foreign exchange :**

(Rupees in Crores)

Particulars	FY 16	FY 15
FOB value of exports	192.40	732.87
	<b>192.40</b>	<b>732.87</b>

**49 Corporate Social Responsibility**

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company. Accordingly, the Company has incurred Rs 21.29 Crs during the year ( PY : Rs 7.32 Crs) on account of expenditure towards corporate social responsibility. No expenses have been incurred in construction of a capital asset under CSR during the year.

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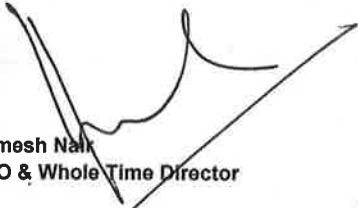
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- 50 There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2016. This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company .
- 51 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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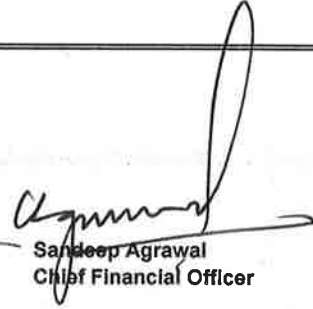
For and on behalf of the Board of Directors



Ramesh Naik  
CEO & Whole Time Director



SK Roongta  
Director



Sandeep Agrawal  
Chief Financial Officer



Rohit Sarda  
Company Secretary

Place : Mumbai  
Date : April 21, 2016

