Bharat Aluminium Company Limited

Integrated Annual Report **2022-23**

Sustainable value creation

DEFINING OUR WAY FORWARD

Sustainable value creation has become a business imperative for companies across the globe. We understand how critical it is in light of the market's extremely high volatility, soaring human aspirations and unprecedented events.

Sustainable value creation

DEFINING OUR WAY FORWARD

The domestic aluminium industry is crucial for sustaining the infrastructure development of India. With the Government providing an enhanced impetus for infrastructure development in the country, we are in a sweet spot to grow sustainably.

As we continue to shape a sustainable future for generations to come, we intend to sustain our position as one of the largest producers of aluminium, 'the metal of tomorrow', to fulfil our objective of sustainable value creation for all our stakeholders.

About our report

We are pleased to present our first Integrated Annual Report, which includes voluntary information to the extent possible, in accordance with the reporting framework developed and designed by the International Integrated Reporting Council (IIRC).

This report is primarily intended to address the information requirements of stakeholders. Our endeavour is to present this information in a manner that is also relevant to key stakeholders.

This report communicates the information about Bharat Aluminium Company Limited's governance, business model, strategy, opportunity assessment, material risk, operations, and performance for the year 2022-23.

Our Capitals

The report is based on the integrated thinking approach around the six capitals namely the

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Social and Relationship capital
- Natural capital

The report enables the stakeholders to understand how BALCO manage their resources and relationships while creating sustainable long-term value.

Reporting year

The major reporting period for the Annual Report is from 1st April 2022 to 31st March 2023. It provides an overview of the operations and business development activities of the Company for the financial year 2022-23.

Reporting frameworks

The report has been prepared in accordance with the principles recommended by the International Integrated Reporting Council (IIRC) and the GRI (Global Reporting Initiative) Standards.

Approach to materiality

We have utilised the concept of materiality to determine the information that is significant to our stakeholders and should be included in our Integrated Report. In this report, our focus is on addressing the issues, opportunities, and challenges that have a substantial impact on our business operations and our ability to generate enduring value for our shareholders and key stakeholders. We define an issue as material if it has the potential to significantly affect our organisation's capacity to create value in the short, medium, and long term.

The identification of material matters drives our strategic approach and priorities as a company. These matters are instrumental in conveying BALCO's long-term business strategies and objectives, as well as our short to medium-term business plans. We collaborate with all our business units and key stakeholders to gather inputs and identify potential material matters. Subsequently, we rank these material issues based on their relevance and potential impact. Our constant endeavour is to ensure that our strategy remains pertinent in the ever-evolving operational landscape.

Auditor's Report

To ensure the integrity of facts and information, the financial statements are audited by S. R. Batliboi & Co. LLP, Chartered Accountants and the 'Independent Auditor's Report' has been duly incorporated as part of this report.

Contents

Know more about Human Capital

Know more about Intellectual Capital

Know more about Manufactured Capital

Know more about Social & Relationship Capital

Disclaimer:

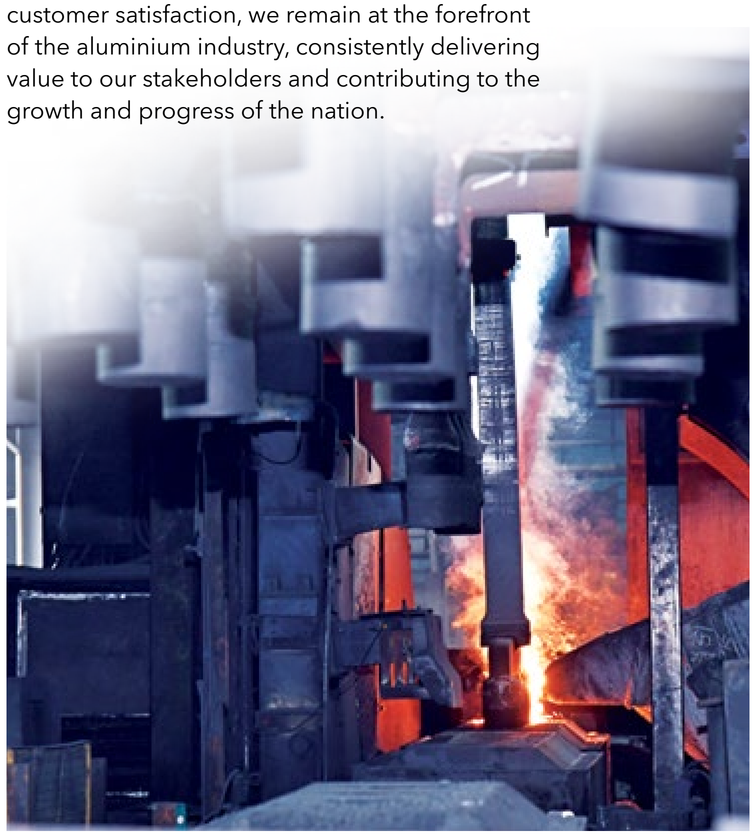
This report covers the reporting period from 1st April 2022 to 31st March 2023 and provides 360° information on Bharat Aluminium Co Ltd (BALCO), a subsidiary of Vedanta Limited. This report aims to provide a concise explanation of BALCO's performance, strategy, operating model, business outputs and outcomes using a multi-capital approach. It includes measures of engagement with identified material stakeholder groups and outlines the organisation's governance framework. This report contains information that we believe is of interest to our stakeholders and presents a discussion around matters that can impact our ability to create value over the short, medium and long term. This report should be read in conjunction with the annual accounts to gain a complete picture of BALCO's financial performance. The financial statements in our report have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and have been independently audited by S.R. Batliboi & Co. LLP. The Independent Auditors' Report for the financials forms an integral part of this report.

To know more about us visit our website : www.balcoindia.com

About BALCO

With a rich legacy spanning several decades, BALCO is a renowned and leading aluminium producer in India and has consistently contributed to the growth and development of the aluminium industry in the country. With state-of-the-art facilities and cutting-edge technologies, we ensure that our products meet the highest standards of performance, durability, and environmental responsibility.

Established in 1965, BALCO has emerged as a flagship company of Vedanta Limited, a globally recognised natural resources conglomerate. Over the years, BALCO has become synonymous with excellence, innovation, and sustainability in the aluminium sector. Our success is deeply rooted in our core values of integrity, customer centricity, and social responsibility. With a strong commitment to continuous improvement and customer satisfaction, we remain at the forefront of the aluminium industry, consistently delivering value to our stakeholders and contributing to the growth and progress of the nation.



Our Vision

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

Our Mission

- To be amongst the top deciles in the global cost curve
- Achieve operational excellence
- Effective Collaboration with Stakeholders
- Ensure resource security with efficient supply chain management
- Collaborate effectively with stakeholders
- Build and strengthen brand equity

Our Legacy

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

Core Values

Integrity

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

Respect

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

Excellence

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

Care

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

Innovation

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

Trust

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

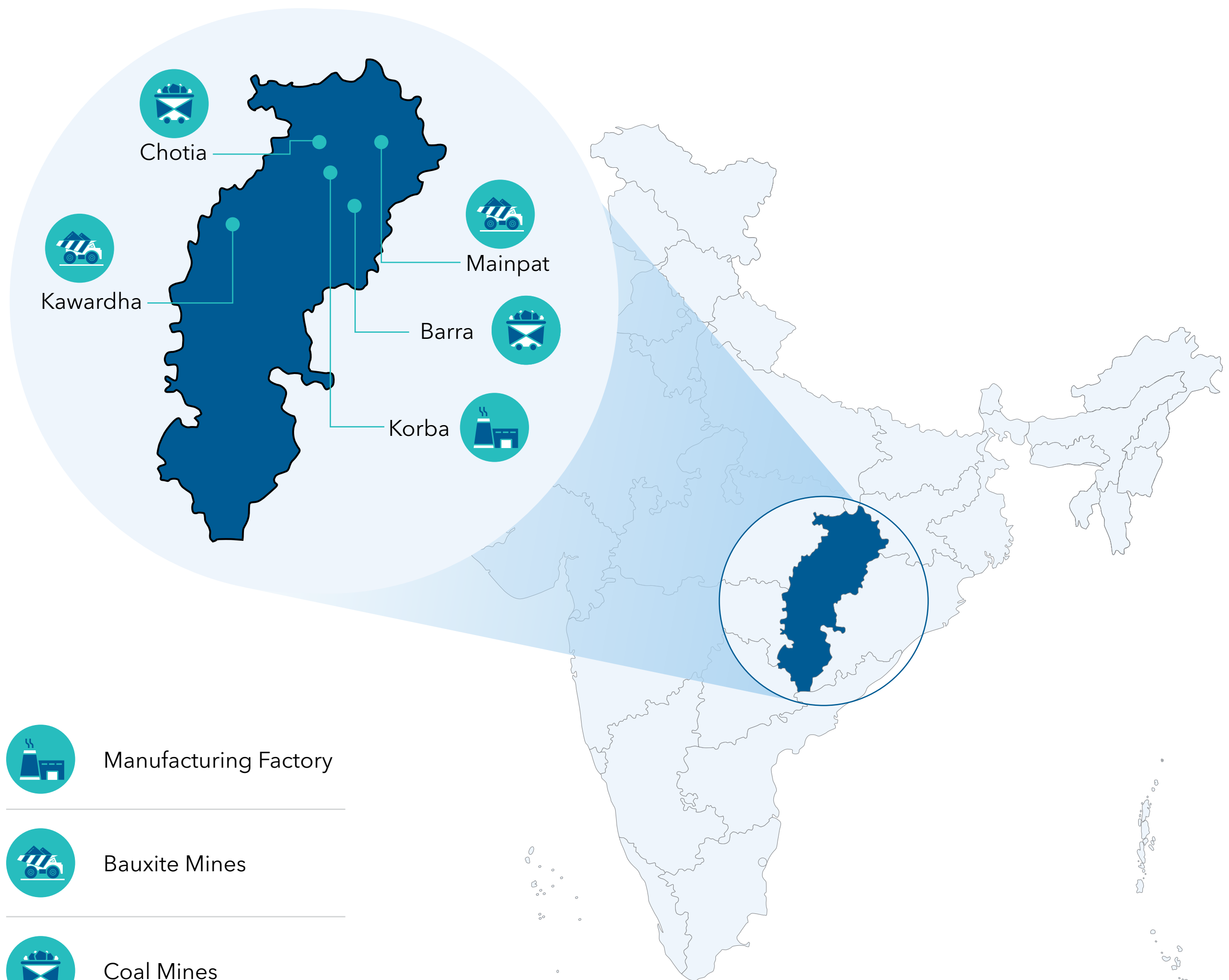
Entrepreneurship

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

Geographic footprint

With a strong commitment to innovation, excellence, and sustainability, BALCO has successfully expanded its reach across various industries and regions in India. The diverse presence allows us to tap into different markets, collaborate with local communities, and adapt to the unique needs and demands of each region.

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



Manufacturing Factory

Bauxite Mines

Coal Mines

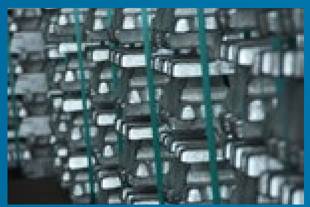
Our offerings

With a commitment to innovation and quality, BALCO offers a comprehensive array of cutting-edge products designed to meet the evolving needs of its customers. From aluminium extrusions and profiles to specialised alloys and value-added solutions, we provide solutions that drive efficiency, durability, and sustainability.

Primary products


Ingots


Wire Rods


Primary Foundry Alloy

Rolled products


Hot Rolled Coil


Cold Rolled Coils and Strips


Hot Rolled Plates


Cold Rolled Sheets

New products launched


Alloy Wire Rod


Aluminium Circles


Roofing Sheet

Chairman's Insight

We remain bullish about FY24 and our focus areas for the next year include enhancing the quality of our rolled product to ensure improved marketability by installing state-of-the-art machinery, expanding our VAP capacity and improving supply chain efficiency.

S.K. Roongta
Chairman & Independent Director

Dear Shareholders

To create sustainable value for our stakeholders, we have organised various programmes and events, including our quality control initiatives, training on safety rules and regulations, town hall interactions, training and engagement sessions such as BALCO Premier League, volleyball, Suraksha Kutumb, BALCO Talks, Stepathon, fun and fitness workshops and cycling for a noble cause.

The last couple of years have been challenging and uncertain. While we remain optimistic about better prospects, I hope you and your loved ones are healthy and safe. As we enter a new fiscal year, it gives me immense pleasure to look back on the year gone by. Despite multiple headwinds–socioeconomic, geopolitical, as well as the lingering effects of the pandemic–we have successfully steered our company towards sustained growth.

It is with great pleasure and a sense of contentment that I present to you the first Integrated Annual Report for Bharat Aluminium Company Limited (BALCO), a company that is firmly anchored in its commitment to sustainable value creation. As we navigate the ebbs and flows of the dynamic aluminium industry, it is crucial that we define our way forward, all the while integrating sustainability into all that we do.

At BALCO, we remain dedicated to redefining our roadmap by adopting best-of-breed technologies, responsible practices and ethical decision-making in all operational aspects. As we recognise that our actions have far-reaching consequences, we strive hard to make a positive difference in the world.

Performance Highlights

FY23 was a year marked by both opportunities and challenges alike. In Dec '22, with special approval, BALCO became a unique entity in the country, to register itself as two entities that enabled simultaneous import and export of power through a modified grid connectivity agreement with CTU.

We have weathered global macroeconomic headwinds by employing strategic measures to limit their impact and maintain uninterrupted operations. A major step in this direction has been the establishment of our captive coal mine, which has been crucial in securing an increased and reliable coal supply for our clients. By reducing our reliance on external sources, we have gained greater control over the supply chain, effectively minimising the risks associated with fluctuating coal prices and coal availability.

We have implemented several need-based measures to enhance productivity and reduce costs, such as optimising supply chain operations, streamlining business processes, negotiating better prices with suppliers and better managing our inventory.

We are expanding our capacity from 0.58 MTPA to 1 MTPA. We are also adding an integrated alumina handling system, a calcined petroleum coke handling system and a flap gate handling system to reduce our carbon footprint, enhance the quality of our products and raise our VAP capacity by 103%. These developments will not only boost our production capacity, but will also demonstrate our commitment to improving consistently and meeting evolving client needs.

Growing responsibly

To exceed client expectations, we are also capitalising on emerging opportunities and adapting rapidly to evolving trends. As a responsible organisation, we ensure ESG compliance with the current framework through our robust ESG organisation (Management in Place, MIP). Our 12 Community of Practices (COPs) collaborate to create new ideas, while we conduct meetings through Transformation Office (TOs) on a fortnightly basis to monitor progress and drive implementation.

Our major sustainability initiatives include becoming the first aluminium smelter in the country to be certified for CII Greenco Assessment, procuring 572,154 Renewable Energy Certificates (RECs), using biodiesel in our technological vehicles and ladle cleaning process, hiring transgenders in the manufacturing sector and incorporating carbon pricing in capex projects. With the objective of becoming net zero by 2050, our reaffirmed purpose of 'Transforming for Good' aspires to transform communities, the planet and the workforce.

To create sustainable value for our stakeholders, we have organised various programmes and events, including our quality control initiatives, training on safety rules and regulations, town hall interactions, training and engagement sessions such as BALCO Premier League (BPL), volleyball, Suraksha Kutumb, BALCO Talks, Stepathon, fun and fitness workshops and cycling for a noble cause.

Our CSR efforts have impacted the lives of about 1.27 lakh people in 123 villages, covering 4 blocks in 4 districts of Chhattisgarh and we continue to strive towards greater economic and social well-being through our diverse CSR projects.

Our way forward

We remain bullish about FY24 and our focus areas for the next year include enhancing the quality of our rolled product to ensure improved marketability by installing state-of-the-art machinery, expanding our VAP capacity and improving supply chain efficiency.

While we embark on this journey of sustainable value creation, we invite all our stakeholders to join us in shaping a world where economic progress is inextricably linked to environmental preservation and social well-being.

Our CSR efforts have impacted the lives of about 1.27 lakh people in 123 villages, covering 4 blocks in 4 districts of Chhattisgarh and we continue to strive towards greater economic and social well-being through our diverse CSR projects.

Together, we can make a difference by embracing innovation, collaboration and responsible practices. In the years ahead, we will continue to challenge ourselves, set ambitious goals and push the boundaries of what is possible in the realm of sustainability.

I am confident that with your unwavering support, we will create a better and greener future. On behalf of everyone at BALCO, I would like to take this opportunity to thank you all for your consistent trust and cooperation.

Best regards,

S.K. Roongta
Chairman & Independent Director

CEO's Communique

> Setting short and long-term objectives is crucial for driving business growth and success. At BALCO, we recognise the importance of these goals, as short-term achievements pave the way for long-term accomplishments.

Rajesh Kumar
CEO & WTD

Dear Shareholders

I am delighted to address you all and share the key operational and financial highlights of FY23. This year has been challenging due to global macroeconomic headwinds, but I am pleased to say that we have not only overcome these obstacles but also achieved remarkable success in driving sustainable value creation. Our commitment to defining our way forward has paved the path for growth, innovation, and positive impact.

Firstly, despite the initial setbacks in the first half of FY23, we have successfully recovered all the losses incurred and demonstrated resilience in the second half of the year. This achievement reflects our strong determination and strategic decision-making, which enabled us to navigate through turbulent times and emerge stronger than ever.

Operational excellence

In Q4 FY23, we witnessed our best-ever performance in pot line operational parameters, specifically in specific power consumption and net carbon consumption. These impressive results have not only helped us achieve our cost targets but have also reinforced our position as an industry leader committed to sustainability. Our team's dedication to optimising our operations and driving efficiency, has contributed to this outstanding performance.

In terms of global inflationary pressures, we have been proactive in managing production costs and mitigating risks associated with rising global inflation. Our financial strategies and prudent decision-making have enabled us to overcome these challenges effectively. By closely monitoring market trends, implementing cost-saving measures, and fostering strong relationships with our suppliers and partners, we have ensured the stability of our production costs and sustained profitability.

At BALCO, we keep our customers at the heart of all our business operations. We strive hard to boost customer satisfaction by providing products and services that cater to the evolving needs of our customers. As we value our customers' expectations and requirements, we continuously enhance our processes and offerings. Additionally, to sustain our reputation as an organisation with zero customer complaints, we emphasize more on quality, reliability and on-time delivery of products.

Sustainable value creation

One of the key aspects that set us apart from our industry peers is our focus on creating a sustainable business. We firmly believe that sustainable practices are not only essential for the environment but also critical for long-term success. In FY2023, we collaborated with 452 business partners, generating shared values worth 1.2 billion USD. By adopting modern methodologies like e-RFP and e-auction, we have made our procurement process transparent, fostering trust and synergy among all stakeholders. We have also engaged in long-term partnerships, such as O&M contracting and ARCs, and explored end-to-end contracting options to ensure sustainable growth.

Furthermore, we are expanding our capacity to meet growing market demands from 0.58 MTPA to 1 MTPA. Our VAP capacity will reach 103%, enabling us to offer improved quality products and expanding our Rolled Products capacity to 180 KTPA. Moreover, we are adding a 420 KTPA Billet facility to our product portfolio.

Our commitment to sustainability and profitability goes hand in hand. BALCO is dedicated to producing aluminium sustainably. In line with this commitment, we have implemented energy conservation techniques such as preheating ladles carrying molten aluminium through the use of biofuels. This method significantly reduces greenhouse gas emissions compared to conventional non-renewable fuels. We are also working towards obtaining the Green Aluminium-Aluminium Stewardship Initiative (ASI) certification soon. By 2025, we aim to achieve zero legacy waste (high volume low toxic waste), and by 2030, BALCO will be water positive, aiming to have a 30% renewable energy power mix by procuring green power.

Goal setting

Setting short and long-term objectives is crucial for driving business growth and success. At BALCO, we recognise the importance of these goals, as short-term achievements pave the way for long-term accomplishments.

Despite the challenges imposed by various geo-political conflicts and supply chain disruptions all over the world, we were able to achieve 98% of our production target. Our future plan of action is aligned with our goal to position ourselves as a strong player in terms of both production and quality by expanding our production capabilities along with enlarging our customer base.

In the near future, BALCO is on track to reach a production capacity of 1 MTPA, nearly doubling our current capacity. This expansion will propel Vedanta from the 11th to the 9th global rank in terms of production capacity by 2026. In addition to increasing our primary production capacity, BALCO is also focused on diversifying our product portfolio. We are actively venturing into downstream products such as foils, composite panels, roofing sheets, chequered sheets, aluminium circles, and fabrication plates. We are commissioning a billet line in the current financial year, which will enable us to cater to a broader customer base. Billets find wide applications in the construction, automotive, aerospace, packaging, electrical and electronics, and consumer goods industries.

BALCO also supplies aluminium wire rods to the steel sector, where they are used as a deoxidiser. We have implemented innovative solution of selling wire rods without flipping, saving time, energy and packaging material while meeting market demand. We are continuously exploring financial models to maximise profits from power sales after meeting our smelter demand. To enhance smelter operational parameters, we are upgrading our pot controllers to reduce specific power consumption.

Technology and digitalisation

To enhance the client experience and foster customer loyalty, we have implemented various initiatives. Technological innovation is a key driver of our overall operations. We have made significant advancements, such as the indigenous development of pot controller systems, centralised SCADA for PTM, and online collector bar temperature measurement in our potline operations. By leveraging advanced technologies and best practices, we aim to achieve greater efficiency while minimizing our environmental impact.

Digital transformation is another area where BALCO is making significant strides. We embrace innovative technologies to optimise various aspects of our operations. For instance, we utilise GPS trackers in our trucks to enhance logistics and transportation efficiency. Real-time tracking and route optimization enable us to ensure timely deliveries and minimise operational costs. Furthermore, our digital solutions enable us to effectively manage mine production and handle fly ash. By leveraging advanced data analytics and automation, we streamline processes, improve productivity, and reduce our environmental footprint.

Our strategy

Furthermore, we have developed a roadmap that will drive the overall development of our company. This roadmap includes the development of new product portfolios, increased VAP, Green Aluminium reduced carbon footprint, improved infrastructure facilities, and an enhanced product mix. By benchmarking ourselves in India's aluminium industry, we aim to solidify our position as a leader and drive the industry's growth.

Corporate Social Responsibility

BALCO has planned several initiatives to empower families by enhancing skillsets and uplifting women and children through proper education, nutrition, healthcare, and

CEO's Communique

welfare. These initiatives, such as 'Mor Jal Mor Maati', 'Vedanta Skill School,' 'Unnati,' 'Nayi Kiran', and 'Mobile Health Van' and 'Arogya,' align with our commitment to sustainable development and social responsibility.

Environmental stewardship

Moreover, our efforts to achieve net zero carbon by 2050 are also well underway. We have prepared a detailed strategy for net zero carbon, encompassing both short-term and long-term initiatives. In FY24, we will focus on reducing auxiliary power in the smelter, specific coal consumption, and actively switch to renewable energy sources. Additionally, we will increase biomass co-firing in our power plants, further contributing to our carbon reduction goals.

Our commitment to being water positive by 2030 is equally strong. To achieve we prioritise efficiency improvements and process enhancements in our RO systems. We will optimise the utilisation of STP water in our processes and revamp the water credit structure in nearby communities. By implementing these measures, we aim to ensure responsible water management and minimise our impact on local ecosystems.

Future outlook

Looking ahead, we plan to remain agile, adaptable, and innovative in the face of evolving challenges and opportunities. Our focus on sustainable value creation will guide us as we continue to drive growth, profitability, and social responsibility. We are well-positioned to write the history of 'Atma-Nirbhar Bharat' in the aluminium industry. Together, we will define our way forward, setting new benchmarks and becoming the "Supplier of Choice" for aluminium in India.

Thank you for your unwavering support, trust and commitment to our company. We remain dedicated to maximising shareholder returns and a prosperous future.

Regards,

Rajesh Kumar
Chief Executive Officer &
Whole Time Director

Our commitment to being water positive by 2030 is equally strong. To achieve we prioritise efficiency improvements and process enhancements in our RO systems. We will optimise the utilisation of STP water in our processes and revamp the water credit structure in nearby communities.

Message from the CFO

Dear Shareholder

I am pleased to present to you the Integrated Annual Report of BALCO for the fiscal year 2022-23, providing an overview of our financial performance, operational achievements, and commitment towards sustainable growth.

The fiscal year 2022-23 presented us with unique circumstances that required us to navigate through global headwinds. However, we are determined to overcome these challenges and steer the company towards a prosperous future. Although our financial performance was not as robust as the previous year, we remained focused on cost optimization, productivity enhancement, and maximizing shareholder value.

During this fiscal year, BALCO demonstrated resilience and adaptability amidst market uncertainties. Our commitment to cost management and competitive pricing strategies resulted in overall profitability, despite the prevailing market conditions.

In fiscal year 2022-23, BALCO generated a total income of ₹ 13,496 crores, with revenue from operations amounting to ₹ 13,059 crores. This performance was driven by strong sales in both domestic and international markets. We implemented effective cost control measures, which contributed to a gross profit of ₹ 73 crores. Furthermore, amidst the challenges we faced this year, our unwavering focus on operational efficiency, streamlined processes, and optimized resource allocation enabled us to successfully reduce operating expenses, resulting in a fairly resilient bottom line.

Despite market challenges and supply disruptions, BALCO maintained an overall net profit scenario, thanks to our enhanced revenue streams, disciplined financial management, and strategic investments. Our sound financial performance, combined with prudent financial practices, positions us well to navigate market fluctuations and seize growth opportunities. We remain committed to creating long-term value for our shareholders through our solid business fundamentals and our steadfast pursuit of sustainable growth.

As we move forward, we are determined to enhance our operational efficiency and provide our customers with a competitive advantage. We are undergoing an expansion project, incorporating state-of-the-art facilities and equipment which will result in a combined smelting capacity of 1 MTPA through an investment of ~ ₹ 9,000 Crores in near future.

At BALCO, ethical business practices and corporate governance are of paramount importance. We maintain stringent policies and frameworks to ensure good governance throughout the organization. With a focus on transparency and accountability, we conduct regular audits to ensure compliance with regulations and global business standards. Our experienced Board members, with 25% representation of women, provide invaluable guidance and expertise to steer our strategic direction.

Our future plans are centered around achieving accelerated growth. We remain committed to our vision of sustainable growth and value creation. By investing in technology, innovation, and operational excellence, we aim to enhance our competitiveness and ensure long-term success. Our commitment to environmental, social, and governance (ESG) initiatives will be intensified as we work towards our goal of achieving net-zero carbon emissions by 2050.

With our prudent financial practices and a focus on risk management, we are confident in our ability to navigate dynamic market conditions and emerge stronger, thereby creating sustainable value for our shareholders. Sustainability remains at the core of our operations, and we are fully equipped to realize our potential.

We extend our gratitude to all our stakeholders for their unwavering support, which has been instrumental in our success. As we continue on our journey, we look forward to your continued trust and partnership.

Regards,

Amit Gupta
Chief Financial Officer

Business model

Inputs

Financial capital

₹ **220.62** crore of Equity capital

₹ **308.58** crore of Net Cash

₹ **7,526.50** crore of reserves and surplus

Manufactured capital

₹2.03L/T Production cost

₹9,508 Crore Equipment and machinery cost

State-of-art manufacturing facilities

Intellectual capital

₹ **2.08** crore R&D expenditure

Digital supply chain integration

AI integration

NABL accredited lab

Human capital

1773 Skilled workforce

Social and Rvelationship capital

₹24.53 crore CSR Spend

Natural capital

Water consumption

0.59 m³/ MT of FG (Metal)

2.82 m³/ MWh (1200 MW)

2.08 m³/ MWh (540 MW)

Energy consumption

52.49 GJ/ MT of FG (Metal)

10.54 GJ/ MWh (1200 MW)

11.03 GJ/ MWh (540 MW)

1MT Coal Mining done

Our process chain

Mining → Refining → Processing → Product Manufacturing → Finished Products (Ingots, Wire rods, rolled products, Primary foundry alloy) → Marketing and sales → Warehousing and logistics → Use phase

Strategizing based on our strengths

Efficient use of craftmanship → Quality assurance through improved methods and technologies → Adoption of AI to ensure zero injury and efficient performance → Enhanced capacity → Expansion of product portfolio to enhance customer centricity → Strong ESG commitment

Output / Outcomes

Output	Outcomes
Financial ₹ **13,059** crore revenue from operation ₹ **731** crore of EBITDA ₹ **42** crore of PAT ₹ **1.92** EPS	• Maintained revenue generation and sustained growth despite market challenges • Long term value creation for stakeholders
Manufactured **569** KT Total aluminium production	• Increased operational efficiency • Quality assured products manufactured • Strong and enhanced production capacity to serve large number of customers
Intellectual **3** New products developed **16** Digital initiatives adopted	• Innovation and new product development to ensure portfolio enhancement which will drive more customers • Development of sustainable technologies to ensure long term business growth through operational excellence
Human **₹7.36** crore of revenue generated per employee **20%** Gender diversity **38** Stars identified **3%** Attrition rate	• Diverse workforce • High qualified, skilled and experienced people • High employee retention rate • High employee engagement
Social and Relationship **1.27 L** Number of people benefited from our CSR initiatives	• Enhanced trust from our stakeholder • Robust community development
Natural **693,914** tCO_2e GHG Emission reduced **95,653** GJ Energy saved **10.76%** Water recycled **1,23,562** Trees planted **174.6%** Fly Ash Utilization	• Reduced adverse environmental impacts • Optimised resource utilisation • Reduced waste generation • Effective recycling initiatives

Zero Harm → **Zero Waste** → **Zero Discharge**

Risk management

We have incorporated risk management practices into our operations, such as aligning risk appetite and strategy, increasing risk response and reducing operational volatility.

The Risk Management framework at the Company focuses on risks that have the potential to impact our company's performance. Our materiality analysis broadens our perspective by considering all of our stakeholders' expectations of a sustainable business, as well as the risks and opportunities associated with fulfilling those expectations. The risk management strategy at BALCO is intended to evaluate risks on a consistent basis, quantifying likelihood and impact to ensure that the most critical risks to the Company receive the necessary focus and attention from our management team.

Areas of Concern		Description	Mitigation
Environment	**Climate Change Risks**	Environmental exposures may impact operations or projects, leading to reputational damage.	We are ensuring operational control procedures through proper maintenance of our pollution control equipment. We are conducting regular inspections and timely monitoring based on environmental compliance. We are also implementing initiatives to ensure zero discharge from the plants.
	Risks concerning the irregular disposal of waste	There may be inadequate storage facilities for hazardous waste, which may pose a risk to the operations.	Hazardous waste authorisation has been granted and waste is being disposed off following the necessary guidelines.
Raw Material	**Risks of coal security**	There may be a lack of and a limited supply of coal at competitive prices.	We consistently track our mine production and stocks to get an early warning so that essential actions can be executed on time. We have also resumed our Chotia captive mines to ensure the timely availability of coal.
	Risks of Alumina security	Alumina may be available at competitive prices.	We meet our alumina needs through domestic supply as well as imports from other regions.

Areas of Concern		Description	Mitigation
Manufacturing	**Risks of machinery (smelter) malfunctions and failures**	There may be power outages due to the loss of single-grid connectivity.	The company has installed double grid connectivity system being first in the country this will improve the reliability of our power distribution system at our manufacturing plants, thereby enhancing the overall power infrastructure.
		Major pot failures can hamper productivity.	Regular checks are carried out, with abnormal values being dealt with immediately. At regular intervals, we additionally offer SOP training to bridge the skill gap.
	Risks of infrastructure and logistics	There may be a lack of adequate infrastructure in manufacturing facilities for operationalising planned growth. Insufficient unloading systems for coal handling lead to demurrages. It can also result in unrest due to the Ash transfer.	We have obtained the additional land required to connect BALCO and Korba Station, thereby doubling the line. For efficient coal handling, we have deployed Wagon Tippler. Road infrastructure will also be built by us to transport ash from the ash dyke to the dumping area at Korba.
	Risks of water security	There may be an adverse impact due to the use of forest land for the operational purposes of the business.	We have ensured interconnected lines for an uninterrupted power supply. We have also installed booster pumps in our smelter plant to maintain a consistent flow of water during the summer season. Moreover, we have also identified alternate sources of water supply.
Financial	**Risks of limited access to business funds and capital**	There may be challenges in debt refinancing, interest servicing, covenants and credit ratings.	We have an excellent credit rating of ICRA AA. Also, we have optimised our net debt through loan repayment during FY 2023. Along with that, we have also collaborated with banks to meet our project funding requirements.
	Risks of revenue volatility	Economies are under constant volatility due to currency and price fluctuations, which may hamper the overall financial performance of the organisation.	We are reviewing the hedging policy on a regular basis. Along with that, we have a robust internal review team to ensure the complete safety of the business, following which strategic actions are planned.

Risk management

Areas of Concern		Description	Mitigation
	Risks of taxes and duties	Non-compliance with tax-related matters can lead to liabilities and increased litigation.	We are conducting regular consultations with our tax consultants to ensure proper adherence to tax regulatory policies. Moreover, we are also proactively engaging with the Government and other industrial bodies to resolve disputes.
Technology	**Risks of cybersecurity**	Breaches in the cybersecurity process may adversely impact our business.	We have installed systems to proactively monitor data leakage. Cybersecurity training and awareness among employees are conducted periodically to ensure complete security. We also conduct yearly cybersecurity and VAPT audits.
	Risks of innovation and technology	Disruptions due to innovation or digitisation through emerging technologies may result in competitive pressures.	We have deployed tools and technology to protect our entire network from hackers, along with seamless usage of cloud computing. Also, we have procured new technological systems to remove obsolete equipment.
Safety	**Risks of an unsafe work culture**	Failure to provide a safe working environment for the employees may result in accidents and expose the organisation to a loss of reputation.	We have engaged DuPont Safety solutions for safety culture building among employees. We are motivating employees for reporting leading indicators like unsafe acts & unsafe conditions to have proactive approach and effectiveness is tracked. Various HSES Digitalization projects are being driven like Vunified: Enablon safety modules, AR-VR based trainings, AI based CCTV cameras and auto generated triggers, etc. at site for ease of all employees. We have identified unsafe buildings and conducted structural integrity studies to take corrective actions. We have also reduced the movement of two-wheelers and cyclists inside the plant by introducing common parking yards and shuttle buses. CCTV cameras are installed all across our sites to identify any potential safety concerns or fire risks. At BALCO, we have also implemented Vedanta sustainability Framework & safety performance standard modules requirements to ensure compliances to benchmark practices at all sites.

Areas of Concern		Description	Mitigation
	Risks to physical security	Breaches in the physical security protection system may adversely impact the business operations and employee safety.	We have deployed intrusion detection systems at various locations that track and detect incidents to ensure safety. Additionally, we have automated the Incident Management process, right from the detection of the incident to the investigation and closure of recommendations.
Regulatory policies	**Risks of non-compliance with governance and ethics**	A violation of ethics or the Code of Conduct may lead to a penalty.	To maintain ethical compliance, we organise frequent awareness sessions. Furthermore, in cases of ethics violations, an in-depth investigation is conducted, followed by corrective measures. To determine compliance, regular mail are circulated and online tests are carried out. Our internal control system tracks the critical areas and submits a report to the Board.
	Regulatory & Legal Risks	These may be impacted because of legal and regulatory changes, resulting in higher operating costs and restrictions such as the imposition or increase in royalties or taxation rates, export duty, impacts on mining rights/ bans, and change in legislation.	Teams identify and meet regulatory obligations and respond to emerging requirements continue to demonstrate commitment to sustainability by proactive environmental, safety and CSR practices. Ongoing engagement with local community/media/NGOs SOx-compliant subsidiaries.
Reputation	**Risks of stakeholder and community perception**	Reputational risk may arise due to a shortfall in expectations or irregular engagement with stakeholders.	Our engagement through multitude CSR Programs that are being undertaken in nearby areas resulted in generating positive rapport with general public and stakeholders. We maintain close coordination with the Government authorities, the local communities and other external stakeholders.

Transforming for good

Our primary focus lies in expanding our commitment to prioritise both people and the planet throughout our entire value chain. We closely collaborate with a wide network of business partners to actively contribute towards creating a sustainable future.

Vedanta has adopted following Aims, wherein BALCO is contributing to achieve the same.

Transforming communities

Our commitment to lasting success lies in our dedication to the welfare of the communities in which we operate. Our primary focus is to establish trust and create a beneficial influence by embracing transparent and collaborative approaches, thus ensuring we maintain our 'Social License to Operate.'

Keep community welfare at the core of business decisions

Empowering over 2.5 million families with enhanced skillsets

Uplifting over 100 million women and children through education, nutrition, healthcare and welfare

Transforming the planet

As a natural resource company, we highly prioritise the environment and recognise our duty to minimise any adverse effects on the air, water, soil, and biodiversity. We are fully committed to environmental responsibility, which encompasses reducing carbon emissions, safeguarding water resources, and embracing eco-friendly technologies to enhance our operations and procedures. By intensifying our investments in sustainable technologies, we aim to create lasting value for stakeholders while minimizing our ecological footprint.

Net-carbon neutrality by 2050 or sooner

Achieving net water positivity by 2030

Innovations for greener business model

Transforming the workforce

In the ever-changing landscape of today's business world, which is marked by swift technological progress, unexpected risks, geopolitical influences, and evolving workforce dynamics, organisations face the imperative of embracing innovative approaches to effectively manage their employees. We are at the forefront of this transformation, spearheading new paradigms in talent acquisition, fostering a culture of continuous learning, and placing paramount importance on cultivating a positive employee experience. Furthermore, we remain steadfast in our commitment to ensuring a secure and safe workplace environment for all our valued employees and esteemed business partners.

Prioritising safety and health of all employees

Promote gender parity, diversity and inclusivity

Adhere to global business standards of corporate governance

About ESG

BALCO is prioritising on environmental conservation, social responsibility, and good governance within the operations.

Towards that, we are taking active initiatives to reduce the environmental harm, promote social well-being, and improve transparency and accountability in our decision-making processes. By enriching our ESG approach, we aim to align our business practices with the evolving expectations of stakeholders and contribute positively to the surrounding environment and community.

ESG Governance

As part of our continued commitments to ESG, we have implemented a uniform ESG governance structure across the Vedanta group. The Vedanta ESG Committee, together with our Group Sustainability and ESG function, is responsible for activating, mainstreaming and monitoring initiatives under the 'Transforming for Good' agenda. We have also established dedicated forums for regular management oversight at all levels and ESG-themed communities at each BU and SBU to own projects and drive their timely implementation.

ESG Communities of Practice (12 COPs)

- Water management
- Carbon and energy efficiency
- Waste to wealth
- Biodiversity
- Communities & Social Performance
- People
- Communications
- Renewable Energy
- Health & Safety
- Supply chain
- Acquisition/ finance
- Expansion

About Sustainability Policies

To ensure sustainability and cater to our ESG approach, we have in place a number of policies which helps in maintaining a healthy environment, social well-being both internally and externally.

Zero Harm
Zero Waste
Zero Discharge

- HSE&S (Health, Safety, Environment & Sustainability) Policy
- Energy & Carbon Policy
- Water Management Policy
- Biodiversity Policy
- Social Policy
- Human Rights Policy
- HIV/AIDS Policy
- Supplier & Contractor Sustainability Management Policy
- CSR (Corporate Social Responsibility) Policy
- Product Stewardship & Innovation Policy
- Strategic Asset Management Policy

ESG highlights

Environment

- **546.29 MU** of renewable power purchased
- **4754MT** of biomass co-firing reducing 6900T Co_2e
- **4 million** M^3 reduction in freshwater consumption
- **1,23,562** saplings planted in FY 2023
- **10.76%** water recycled
- Successful application of bio-diesel in technological vehicle and ladle cleaning operation at BALCO
- **98%** Graphitization of pots at BALCO
- Mine back filling at **SECL** Opencast Mines BALCO and Chotia 1
- Reclamation and closure of **5 ash dykes**
- Biodiversity indexing & reassessment of existing BMP to **achieve NNL**

Social

- Total CSR spend in FY 2023 is ₹ **24.53Cr.**
- **1.27 L** people were benefitted through our community development initiatives.
- Reached an employee engagement score of **88**
- **50%** gender diversity maintained during recruitment
- **249,196 Man hours** trained on occupational health, safety and environment compliances
- **2,400 farmers** skilled through Modern farming techniques and allied agricultural practices
- **5** Specially abled hiring
- BALCO has onboarded the journey of **"Vihan"** - Critical Risk Management (CRM) and implemented five critical risks controls this year.
- **19** farm ponds created and 2 community ponds were restored
- **1,007 youth** trained through Vedanta Skill School
- **1,00,000 Women & Children** benefited through Education & Healthcare initiatives
- **48,000 people** impacted through initiatives on Menstrual Health Management - Project Nayi Kiran

Governance

- **30 years** of experienced board members
- **25%** of gender diversity maintained at board
- **Strict compliance** of business ethics
- Human rights maintained with **extensive grievance redressal mechanism**

Breaches of the code of conduct

Throughout the fiscal year, a diverse range of measures were implemented across our business units to address the cases that were identified. We took appropriate steps to address employee misconduct, ensure compliance with health, safety and environmental (HSE) regulations and resolve wage-related complaints raised by workers. The corrective actions undertaken encompassed a variety of approaches, including legal investigations, the imposition of fines, personnel rotations, issuing warnings and terminating the employment of individuals involved in the incidents.

Category types	Occurrence	Open case
Employee misconduct	2	-
Business integrity breach	1	-
Workplace harassment and discrimination	-	-
HSE breach	1	-
Data and privacy breach	-	-
Financial misconduct	-	-
Child labour	-	-
Forced labour/Involuntary labour	-	-
Complaints on wages (HR)	3	-
Other human rights related concerns	-	-

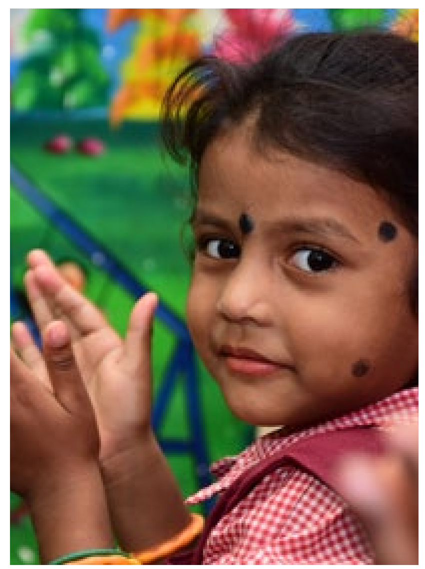
Stakeholder engagement

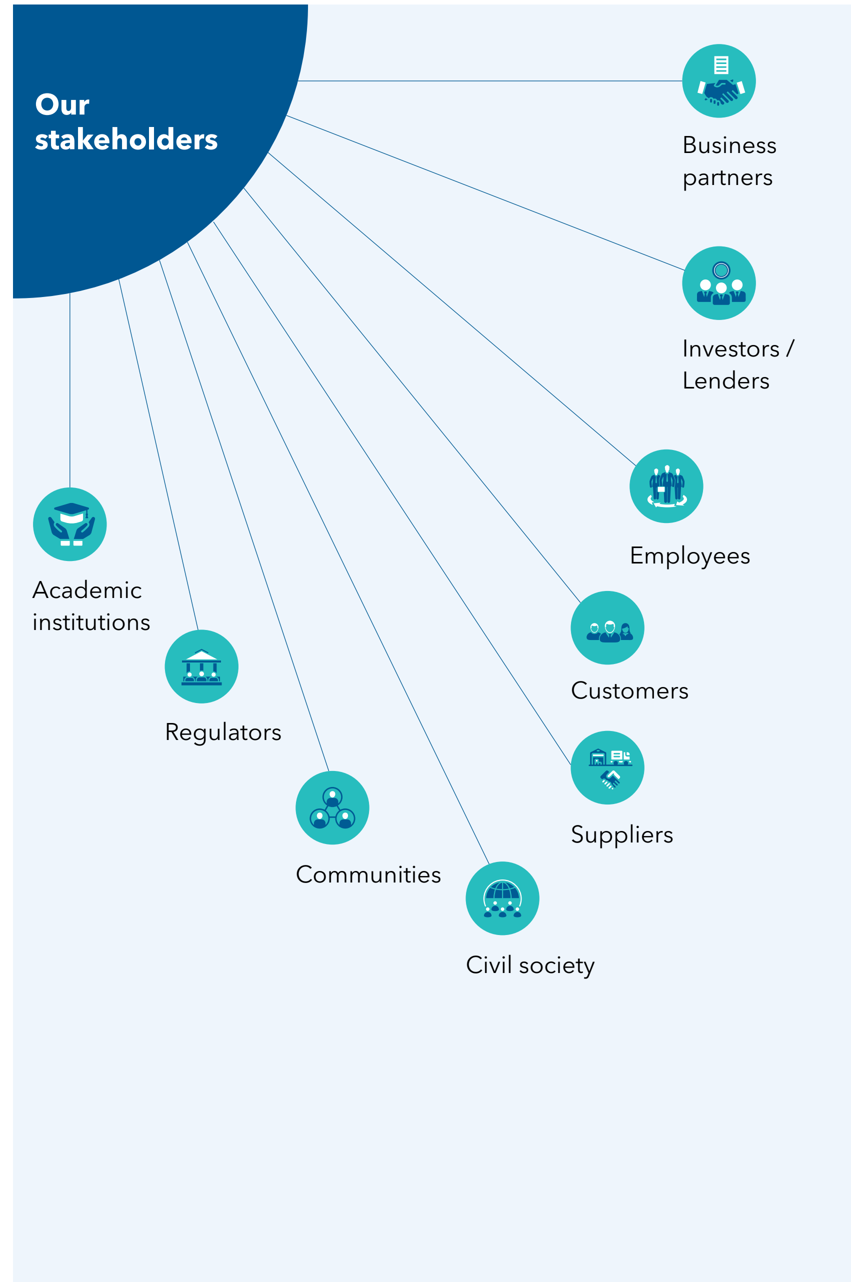
Engaging with stakeholders is a fundamental aspect of our operations. Through regular communication, we shape our strategic planning, redefine our business purpose, and closely monitor our activities and outcomes across all stakeholder groups.

Our commitment to stakeholder engagement lies at the core of our work, fostering deep awareness of pertinent issues and directing the implementation of initiatives that drive positive transformation. We firmly believe that involving diverse stakeholders in open and constructive conversations is vital for the organisation's long-term sustainability and upholding responsible business values.

Value creation for stakeholders

We at BALCO, place a high value on aligning our business objectives with the well-being of our stakeholders, particularly the local communities. To ensure this alignment, we are committed to consistently identify and address any potential impacts through an ever-evolving and robust engagement mechanism, which may influence stakeholders. We acknowledge that effective consultation is a two-way process that involves informing stakeholders about our operations, actively listening to their perspectives, and addressing their valid concerns. Moreover, we understand that our operations attract stakeholders with diverse interests.





Stakeholder engagement

Stakeholder engagement procedure

We have formulated Stakeholder engagement procedure (SEP) which considers the unique attributes and interests of all involved parties, aiming to facilitate the implementation of identified measures and promote active engagement from stakeholders. This participation will provide a platform for stakeholders to voice their opinions, address concerns, discuss associated risks and impacts, and propose subsequent mitigation measures. Moreover, it enables us to acknowledge these perspectives, respond accordingly, and take appropriate actions.

The Stakeholder Engagement Procedure is implemented through following steps –

Stakeholder Identification

Identification of individuals or groups who are directly or indirectly affected by our operations or who may have an interest in the operations.

Stakeholder Analysis

The identified stakeholders are mapped according to the interest and impact of the stakeholder on the operations.

Stakeholder Engagement

Stakeholder wise plan is prepared based on the mapping done in the analysis which includes the defined mode & frequency of engagement.

Framework for engaging with stakeholders

We have developed a stakeholder engagement framework that aims to include all communities or groups affected by our operations. Various departments within the company utilise different communication channels to engage with our stakeholders. A comprehensive mechanism is in place to regularly review and oversee the process, as well as analyse the results. The periodic review considers the evolving dynamics of both our company and the external environment.

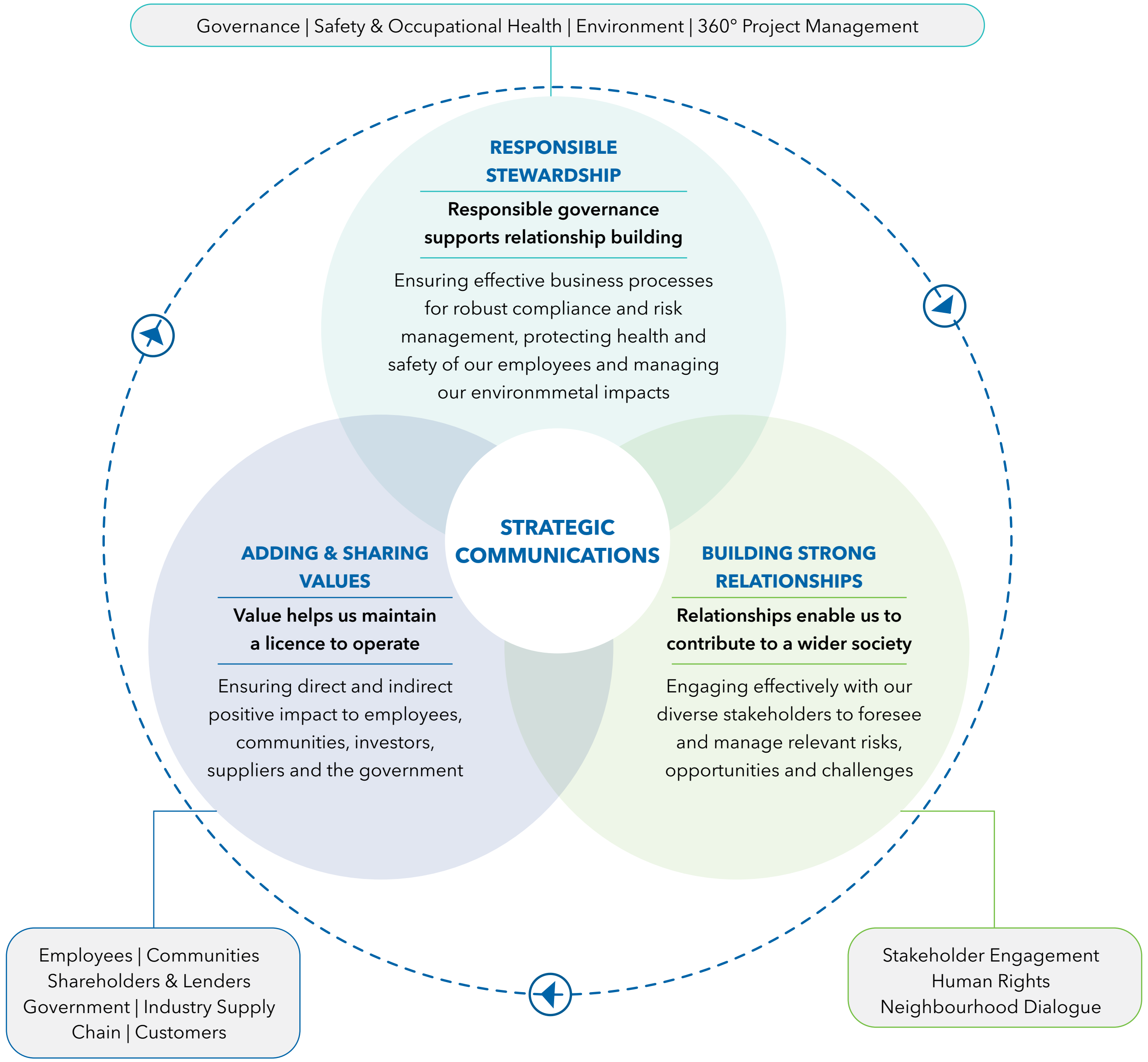
Grievance Redressal Mechanism

BALCO's Grievance Redressal Mechanism is aimed at identification & redressal of various categories of grievances that may possibly arise due to factual and perceived incidents. To ensure the same a Grievance Redressal Mechanism is in places which serves as a guiding tool from receiving to closure of a grievance in a time bound manner. A unit level Apex body is in place which periodically meets and assesses the grievances received and ensures action is taken on them by respective teams. The entire process is rigorously documented at each stage and is communicated to all involved parties. As a responsible organization we ensure all the grievances are acknowledged, assessed and an appropriate response is provided to the aggrieved party within the timelines.

VSF and VSAP

Vedanta Sustainability Framework (VSF)

We have implemented a comprehensive Sustainable Development Framework that encompasses a wide range of sustainability policies, standards, and guidance notes. This framework serves as a compass for us, ensuring that we consistently achieve operational and social excellence while driving positive outcomes for both our business and the communities and environment in which we operate. As part of our commitment, we prioritise the education, training, and development of our employees and business partners, equipping them with the necessary knowledge and skills to uphold world-class sustainability standards, processes, and practices without fail.



VSF and VSAP

Level 1

Sustainability Policies

Level 2

Management Standards

Technical Standards

Safety Performance standards

Environment Performance standards

Social Performance Standards

Level 3

Guidance Notes

Vedanta Sustainability Assurance Process (VSAP)

VSAP is a tool focused on sustainability risk assurance, to evaluate the adherence of our various businesses to the Vedanta Sustainability Framework. This assurance model comprises distinct modules that addresses crucial aspects such as the environment, health, safety, community, and human rights.

To ensure the effectiveness of our assurance system, we employ a comprehensive approach. This involves monitoring and documenting the corrective and preventive actions undertaken by us, as well as conducting regular formal audits performed by external experts.

VSAP operates on an annual basis, with the Sustainability Committee and the Executive Committee responsible for tracking the outcomes. These committees then report the results to the Board. Based on identified gaps, we develop management plans and implement corrective actions to address these gaps. The progress of these actions is consistently reviewed, evaluated, and documented.

Through this process, we actively identify and highlight both successes and failures, facilitating valuable opportunities for cross-learning. By sharing lessons learned across our organization, we continuously strive to improve our sustainability performance.

13 pillars of VSAP

- Compliance
- Leadership
- Objectives and targets
- Competency and training
- New projects
- Management of change (MoC) and Process Safety
- Incident investigation
- Assessment and continual improvement
- Supplier and Contractor Management
- Social Sustainability & Stakeholder Engagement
- Safety management
- Environment
- Occupational health

Materiality assessment

We conducted a comprehensive materiality assessment at the group level with the participation of multiple internal and external stakeholders.

Based on the industry-leading standards established by SASB, MSCI, S&P Global, and ICMM, the material topics have been identified. In the short, medium, and long terms, the development of our business plans and the formulation of our sustainability strategy will be significantly influenced by the material topics we have identified. We have prepared a consolidated list of material topics from which the Mutually Exclusive and Cumulative Exhaustive (MECE) set of material topics has been considered the base for the stakeholder's survey.

Process

Listing of material topics → Stakeholders consultation → Response collection from stakeholders → Potential topics identified → Establish a materiality matrix → Finalised on high-priority material topics

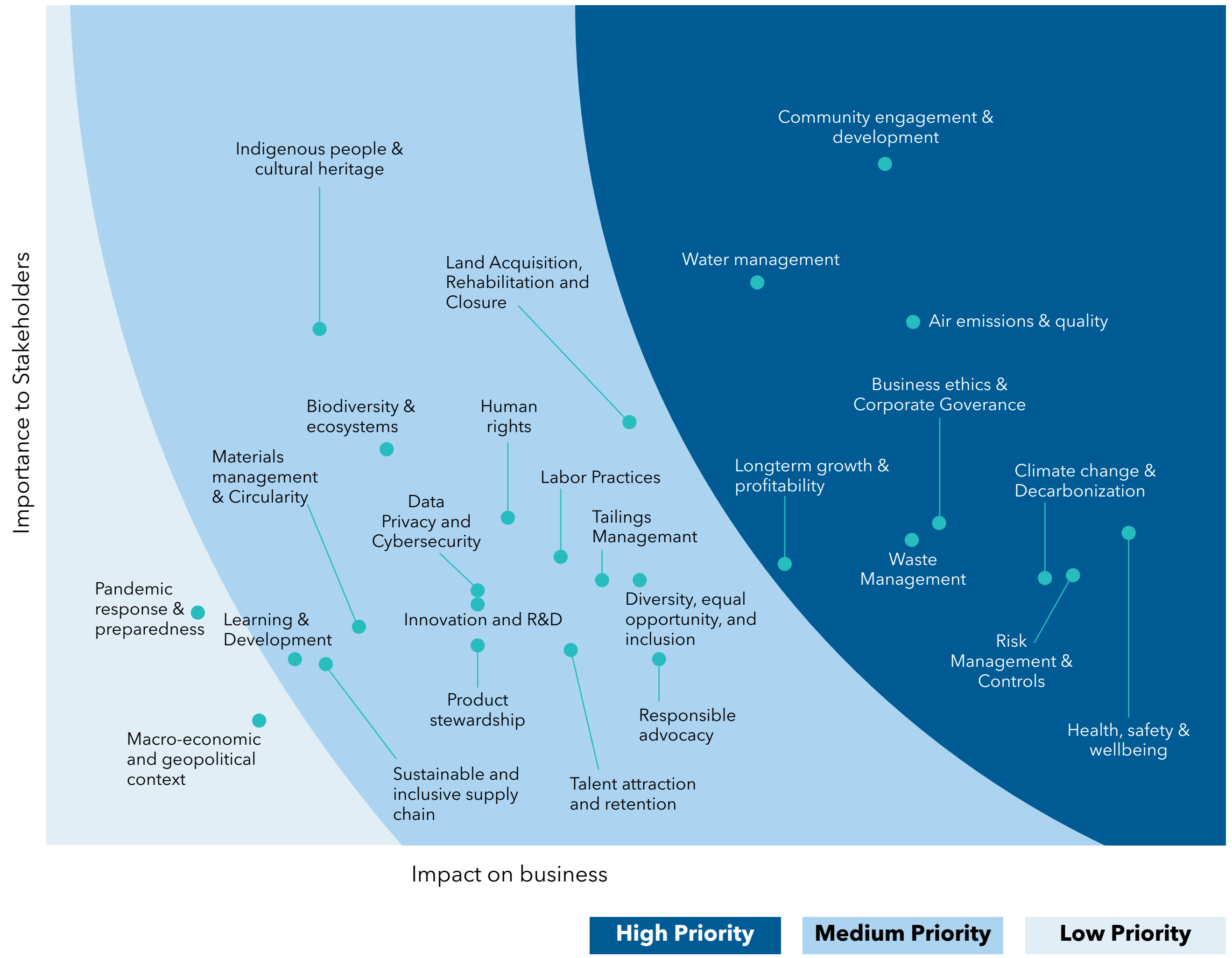
26 Topics emerged as the material topics for BALCO across E, S, and G dimensions

Environment	Social	Governance
Climate change & Decarbonization	Human rights	Business ethics & Corporate Governance
Air emissions & quality	Community engagement & development	Risk Management & Controls
Water management	Labor Practices	Responsible advocacy
Waste Management	Talent attraction and retention	Longterm growth & profitability
Tailings Management	Health, safety & well-being	Data Privacy and Cybersecurity
Biodiversity & ecosystems	Land Acquisition, Rehabilitation and Closure	Pandemic response & preparedness
Materials management & Circularity	Indigenous people & cultural heritage	Macro-economic and geopolitical context
Sustainable and inclusive supply chain	Diversity, equal opportunity, and inclusion	Innovation and R&D
	Learning & Development	Product stewardship

Materiality assessment

High Priority Topics	Medium Priority Topics	Low Priority Topics
1. Climate change and decarbonization	1. Tailings management	1. Pandemic response & preparedness
2. Air emissions and quality	2. Biodiversity and ecosystems	2. Macro-economic & geopolitical context
3. Water management	3. Human rights	
4. Waste management	4. Labor practices	
5. Community engagement & development	5. Talent attraction and retention	
6. Health, safety, and well-being	6. Land acquisition, rehabilitation and closure	
7. Business ethics & corporate governance	7. Indigenous people and cultural heritage	
8. Risk management and controls	8. Diversity, equal opportunity and inclusion	
9. Long term growth and profitability	9. Responsible advocacy	
	10. Data privacy and security	
	11. Innovation and R&D	
	12. Product stewardship	
	13. Materials management and circularity	
	14. Sustainable and inclusive supply chain	
	15. Learning & development	

9 High Priority material topics were identified for Vedanta Aluminium



High priority Material Topics

Environment	Climate change & Decarbonization	Water management
	Air emissions & quality	Waste Management
Social	Community engagement & development	
	Health, safety & well-being	
Governance	Business Ethics & Corporate Governance	Long term growth and Profitability
	Risk Management & Controls	Waste Management

FINANCIAL CAPITAL

A resilient business model and strategic capital allocation helps us to grow our business sustainably and define our way forward. Stringent cost efficiency measures have aided us to stay on track and create value sustainably, while delivering consistent growth.

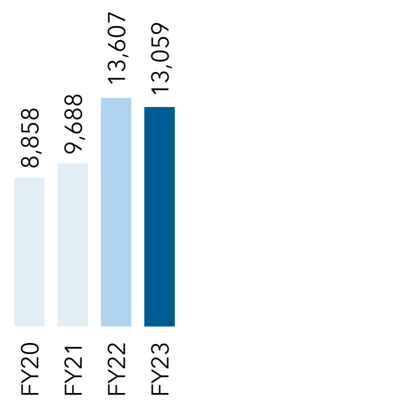
Through effective cost optimisation measures and healthy cashflow generation, we have been able to strengthen our balance sheet significantly.

Highlights for FY 23

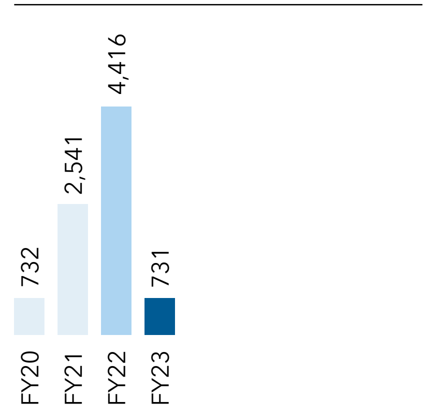
13,059	731	42
Revenue (₹ in Crore)	EBITDA (₹ in Crore)	PAT (₹ in Crore)

Financial performance

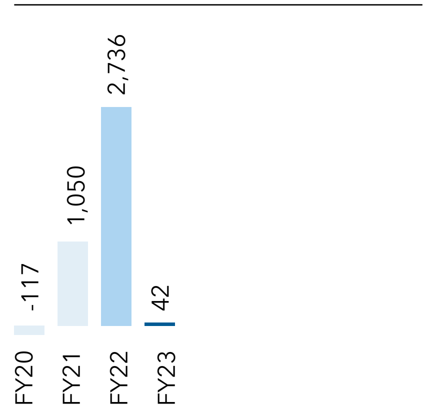
Revenue
(₹ in crore)



EBITDA
(₹ in crore)



PAT
(₹ in Crore)



Input

During FY 2023, we have maintained a robust balance sheet through our timely repayment of debts, sharper focus on eliminating supply disruptions, proper inventory management and effective cash flow management. We have taken initiatives to reduce our financial risks to maintain our bottom line and create greater value for our stakeholders.

Output

Our focused efforts have led to positive growth, especially in our domestic revenue mix, which has witnessed a domestic market share of 23% in FY 2023 as compared to 2% of the previous fiscal year. The revenue of our value-added product mix has improved at a moderate level, followed by significant revenue growth in our Wire Rods and Primary Foundry Alloy product ranges.

Staying resilient to augment value

To maintain a healthy financial condition and grapple with the headwinds of decreasing aluminium price and increasing cost of production, we have significantly implemented a strong governance over the working capital management through robust technology such as automated invoicing and payment system which streamlines the monitoring system and helps reduce risks. We also conduct regular audits for optimising our working capital in terms of identifying the areas for improvement and ensure compliance with policies and procedures.

Thorough implementation of all policies and regulations has enabled us to recover our losses incurred due to the volatility in the aluminium and raw material prices and gain a strong profit margin in the second half of FY2023.

Reducing risks and liabilities

We have implemented a policy to make transactions with the debtors against Letter of Credit (LC) which guarantees complete security.

The debt-equity ratio has been improved through efficient cash flow and inventory management, and the regular transactions with the supply chain partners and customers. Maintaining a healthy profit margin has not only helped us to clear the outstanding debts but also enabled us towards investing in new projects with relying on additional debt financing.

Effective inventory management

We also have a robust inventory management system in place. We classified inventories based on the nature of their movement. The fast-moving inventories are maintained in high quantities to avoid stock-outs and slow-moving inventories are ordered according to the requirement to reduce over-stocking.

As a responsible company, we strictly control the reorder point of products depending on demand and lead time. In addition, we have obtained better pricing and bulk discounts for raw materials due to our long and loyal relationships with our supplier partners. This has resulted in a positive way over the production cost.

Financial Capital

Strategies to maintain a strong financial position

At BALCO, we strive to maintain a strong cash flow which provides us with sufficient funds to execute future growth plans. We have also strengthened our credit rating, which allows us to obtain debt funding at a affordable interest rate, enabling us to improve our financial performance and maintain an optimum capital structure.

We are striving to mitigate our financial risks as a result of interest and exchange rate volatility, higher commodity costs, and decreased demand. Multiple task force has been formed within the organisation to address separate issues and come up with possible solutions along with curtailing the overall expenses of the Company.

Towards sustainable profitability

We are investing towards adopting automation and digitalisation techniques in our operations across various departments which will enhance the fulfilment of our sustainability goals. Moreover, to ensure a holistic development of our organisation we have emphasised on various new segments and verticals to serve a greater group of customers which will eventually improve the bottom line.

As a part of our short-term goal, our objective is to address the niche markets along with different value-added products under our existing product portfolio which will ensure on-boarding of new customers, complete capacity utilisation and enhanced profit margin. We have plans to enter in the new age product segments of rolling sheets and aluminium composite panels which will ensure higher traction and new market penetration.

Government initiatives such as the 'Make in India' and the PLI schemes are increasing productive volumes. The Government is also rolling out initiatives to upgrade electrcical conductors and boost the production of solar panels. These initiatives will promote the use of Green Aluminium in India and enhance our profitability.

MANUFACTURED CAPITAL

Driving sustainable value creation remains at the core of our efforts at BALCO. It empowers us to initiate sustainable manufacturing processes across our plants, upgrade facilities and consistently adopt cutting-edge technology to minimise our environmental footprint.

Our integrated approach enables us to enhance operational efficiency and optimise costs, thereby allowing us to retain a competitive edge in the global market.

BALCO has a world-class manufacturing plant at :

Chhattisgarh

Our capacity

BALCO owns bauxite and coal mines, power plants, refineries, and smelters. Since its inception, the Company has successfully developed 5,80,000 TPA of smelting capacity. In addition, the fabrication facility has been expanded to include three Properzi rod mills for EC rods & one HindUdyog for Alloy rods, three Ingot casting machines (two EC & one for PFA), integrated hot and cold rolling mills and three power plants of 270 MW + 540 MW + 1200 MW capacity.

300 MW
Project

- efficiency improvement by 4% and capacity enhancement by 10%
- resulting in reduction of GHG emission

13 KT to 17 KT
Improvement in coal handling plant crushing capacity

ISO-9001:2015
Certified for manufacturing and supply of calcined alumina, aluminium ingots/billets, aluminium rods and aluminium rolled products.

BALCO'S Journey to Excellence

BALCO 1.0
- Smelter of **1 LTPA** with Soder berg technology in 1973
- BALCO was taken over in 2001 by Vedanta

BALCO 2.0
- **270 MW** Captive power plant
- **320 KA** Smelter with GAMI China
- Expanding further by the installation of **3.25 LTPA** aluminium

BALCO 3.0
- **540 MW** Captive power plant
- Expansion of the smelter by installing **5.10 LTPA** by employing 500 KA
- **1200 MW** thermal power plant.

BALCO 4.0

1 MnT Aluminium Club
- ESG leader
- Digital driven
- AI-based operation

Driving sustainable progress

We have achieved a remarkable milestone in our supply chain operations by migrating from Free on Board (FOB) to Cost, Insurance and Freight (CIF) system. This has significantly helped to bring down our logistical expenditure and optimised the overall production cost.

Growth of spares, consumables and MRO items

85% in FY 2023

75% in FY 2022

We have also successfully reduced the frequency of demurrage, detention and dead freight (for commodities like Alumina, CP Coke, CT Pitch ALF3, Coal, etc.) in our supply chain operations to drive a significant impact on our cost of production.

BALCO is the only company in India to receive approval for simultaneous export and import. It has bolstered the power business and has enabled

Manufactured Capital

the Company to incur recurring benefits. Our Chotia coal mine, with a capacity of 1MTPA, located in Hasdeo Arand coal field of Chhattisgarh, has restarted operations and is expected to ensure sustainable coal sourcing in the days ahead.

For an aluminium manufacturing company, optimum utilisation of ash is significantly beneficial. At BALCO, we have successfully achieved the highest ever ash utilisation mark of over 174%. It has not only enhanced cost effectivity, but also reduced waste generation, contributed towards the conservation of natural resources and decelerated greenhouse gas emissions from power plants.

>170%

Ash utilisation

Asset Management

BALCO emphasises the importance of a structured approach to asset optimization. We aim to enhance asset life, increase throughput and reliability, and achieve these objectives in a cost-effective and sustainable manner. This policy applies to all individuals responsible for operating and maintaining BALCO's assets.

To achieve these goals, we implement a systematic approach to assess equipment performance and evaluate the asset management of different Strategic Business Units (SBU). This includes conducting criticality analysis, condition appraisals, and developing refurbishment plans.

We have established a comprehensive framework for various maintenance activities, such as operations and plant maintenance, equipment maintenance, utility operations and maintenance, building and ground maintenance, facilities protection and security, and safety and environmental compliance.

Material Conservation

Our sustainability strategy is focused on evolving production processes to become more efficient with increased effort on conserving the resources as much as possible. We are taking active initiative in our raw material conservation through the process of recycling and re-usage. The used anode butt from our production process is again utilised in the production of fresh anodes. We also recycle cast iron in anode rodding. Through these steps, it has brought an overall reduction in fresh procurement of pig iron and Calcined Petroleum Coke.

Digitalisation to aid efficiency

At BALCO, we have digitised operations to enhance efficiency and production capability. We have adopted artificial intelligence-based Auto HSSE (Health, Safety, Security and Environment) monitoring system, to ensure safety and security at the workplace and lower risks of accidents at manufacturing plants. The system also enables compliance to regulatory mechanisms and allows us to sustain HSSE standards. These efforts not only contribute towards long-term sustainability but, also support our endeavours to ensure cost-efficiency.

We have also adopted digital methods to track lube oil consumption and maintain optimum oil levels. The advanced technology helps to identify inefficient machinery and equipment that consumes more oil and allows us to take timely action. Moreover, it also ensures recovery of used oil and optimises oil consumption, thereby bringing down costs significantly. Accurate data related to oil usage and waste disposal is also obtained through this system.

Planning of coal materialisation is also eased with the use of advanced technology. It helps to track the supply of coal from mining sources along with its transportation and storage. It also ensures proper loading and unloading of coal. It, therefore, facilitates better resource management through real-time monitoring and quick identification and redressal of various issues.

Accelerating productivity

To reduce downtimes and ensure optimum productivity of machines, we have undertaken efforts to regularly overhaul our units and machinery to prevent breakdowns, increase the lifespan of units and maintain the quality of products. This also allows us to repair or replace parts at the earliest, an effort that proves to be quite cost effective in the long run.

Graphitized cathodes in potline

To be more cost efficient, the process needs to be more energy efficient. Energy efficiency depends mainly on the technology used and relining materials being used. In a electrolytic cell, energy consumption can be reduced by reduction of voltage drop & increasing the pot life.

Runaya Dross Processing

We have our in-house dross processing mechanism to process the byproduct generated from aluminum melting.

Capacity: **10,000 MTPA**

100% processing with

35% metal recovery

We have implemented Kaizen across our manufacturing processes. Through this, we are able to identify the source of the problems and enhance productivity. Following are the key improvements achieved through the implementation of kaizen-

- By installing the table air blowing system, we have reduced the Gasket consumption by 50%.

₹80,000

Savings per month

- By installing ultrasonic sensor in place of inductive proximity sensor we have reduced frequent sensor damage.

₹50,000

Savings per month

- We have modified our cast wheel and tilting launder in our cast house which has improved our teamwork, employee morale and also enhanced the customer experience.

₹15 lakhs

Savings

- We have implemented auto stoppage FTA in our maintenance platform area which has led to an improved quality of products along with the production process being more efficient through reduced idle time.

₹62,80,000

Savings

- We have installed alternate degassing system which has helped us in quality control for rolled products thereby generating higher profitability through improved performance.

₹18,36,000

Savings

Capacity expansion

According to a study conducted by BCG, the demand for aluminium in the Indian subcontinent is expected to grow by three times, to reach 12-13MTPA by 2030. Demand is primarily expected to arise from packaging, automobile, machinery, manufacturing and infrastructure.

Taking into consideration the growing demand, we have planned to expand our aluminium smelting capacity from 0.58 million TPA to 1 million TPA. The comprehensive expansion plan also takes into consideration the requirement for essential resources such as water and power. We already possess a captive power plant, which is set to undergo further capacity expansion. As a result, additional permissions for water and power supply will not be necessary, enabling a smoother execution of the expansion project.

The new manufacturing plant is equipped with world-class facilities for:

- Integrated alumina, calcined petroleum coke and finished goods handling systems
- Casting facility, ingot movement and other downstream products
- Green anode plant with end-to-end material handling capability
- Bake oven and anode rodding shop to process green anode
- Rectifier and switchyard, utility, infrastructure and township
- Expansion of railway line by doubling track connection to Korba railway station for catering to future demand

Along with its smelter expansion, BALCO strives to expand its finished goods production capacity from 51KTPA to 180KPTA. Billet production capacity is also expected to increase to 420KTPA and primary foundry alloy facility will enhance output by 90KTPA.

Manufactured Capital

Aligning with India's Net Zero goals

BALCO has purchased over 500 MU (megawatt-hours) of renewable energy (RE) in FY 2023 and aims to further procure sustainable RE power for its smelting operation. This will significantly lower greenhouse gas emissions in comparison to traditional fuel-based power generation. It is also a step towards improving the air quality while reducing the risk of global warming.

Additionally, we are implementing biomass firing in our facilities. This carbon-neutral energy is expected to significantly reduce our environmental footprint. By transitioning towards sustainable energy usage within our operations, we strive to improve our contribution towards a cleaner and better tomorrow.

Quality assurance

At BALCO, we lay great emphasis on producing the finest quality products. Our state-of-the-art laboratory adheres to various quality standards and relies on a quality-first approach. We also comply with ESG policies and strive to ensure sustainability during the procurement process. BALCO has strengthened its focus on upgrading and acquiring new testing equipments and instruments to improve the accuracy, efficiency and reliability of lab operations. We also developed robust quality culture by implementing Quality Management system such as ISO 9001 to streamline the process and improve the traceability of test reports.

ISO 9001:2015

Certified for quality management system

Robust supply chain management

In order to maintain an integrated supply chain, we engage in robust planning of B2B sales processes to create an optimum balance between demand and supply. Also, we strongly coordinate with the transportation team to ensure timely delivery of goods. BALCO is consistently working to improve delivery standards and utilises best-in-class packaging to ensure zero consumer complaint.

BALCO has an effective and automated inventory management system incorporating the following:

- Identification of NMI/SMI inventory and blocking of material codes for further procurement
- Classification of materials on the basis of vital, essential, desirable and insurance categories for smooth inventory operations
- Shelf-life tracking of material to reduce wastage
- Perpetual inventory verification
- Physical verification of inventory sourced from third party

Towards a greener tomorrow

At BALCO, we remain committed to foster a sustainable tomorrow. Accordingly, we have invested in energy efficient equipment that helps to conserve energy and minimise our carbon footprint. We have adopted video analytics, artificial intelligence and machine learning based tools to become an environmentally responsible organisation and achieve our net zero target. Also, we strive to minimise waste generation from our production process through optimum utilisation of raw materials and use of products that can be recycled. We are also encouraging our supply chain partners to adopt green initiatives. Moreover, to reduce the use of paper, we continue to adopt digital channels of communication.

We are minimising carbon emissions across the units by implementing innovative measures. We are using FTP with lower specific power consumption and also enhanced our pot lining life which has significantly resulted in reduction of carbon footprint.

Reduction in specific power consumption from

200+kwh/ton of Al to

149kw/ton of Al

~48 kg/T of aluminium

Specific CO_2 emission reduction

~494 ton reduction in carbon consumption

Through enhancement of pot lining life from 1800 days to 2190 days

INTELLECTUAL CAPITAL

We are continuously building on our digital and automation capabilities by fostering a culture of innovation. The digitisation of our ecosystem has been a significant undertaking that has helped in streamlining our operations, and we plan to continue investing in cutting-edge technology. This has helped us to define our way forward and enabled us to achieve significant growth and create sustainable value for our stakeholders.

By embedding sustainability as our core business objective, we at BALCO, are accelerating our growth through rapid adoption of digitalisation and advanced frameworks for maintaining our quality standards at an optimised cost.

Highlights for FY 22-23

₹ 2.08 Crore
Expenditure on R&D

₹ 3.76 Crore
Revenue from new products

1st position
In Quality Framework Assessment audit

Research and Development

Research and Development has laid up open innovation network in collaboration with CSIR, IITs and other research institutions. R&D team has made significant contributions in new product development, waste to wealth and process intensification in FY23. Notable among the achievements are the following:

New product development:

Remarkable improvement has been achieved in development of deep drawing and anodizing grade AA3003 circles. New alloy chemistry design, optimising the homogenisation cycle, and fine-tuning both the hot and cold rolling schedules, along with the annealing cycle have been done to enhance the deep drawability of the material while also improving its anodizing response. By maximising the conversion of β-phase to stable α-phase, we were able to achieve a significant reduction in plastic anisotropy and a superior anodizing surface finish. Initially, we faced a 70% rejection rate due to tearing failure during the deep drawing operation and issues with anodising surface quality. However, our innovative process has now led to virtually zero tearing and anodizing quality issues at the customer's end.

Our team also carried out a R&D project focused on removing iron from pure smelter grade aluminium through flux refining at the cast house. This inventive process has enabled us to reduce iron content by more than 200 ppm from smelter grade pure aluminiumas observed during trials.

Wealth from waste:

Utilization of the Dross Slag: R&D team has developed a novel laboratory process for utilization of dross slag for manufacturing valuables like AlF3 and others. Also Basic Engineering package consisting of List of Equipment, Equipment Layout, Mass Balance, Energy balance and total CAPEX requirements have been prepared. sister company of Vedanta M/S Runaya has shown interest for setting up a Pilot plant.

Utilization of the Spent Potline and Shot Blast dust:

Spent potline waste generated from the Smelters are hazardous in nature with the presence of cyanides and soluble fluorides which pose risk to environment. Shot blast dust is generated in the process of cleaning of spent anodes in Rodding shop contains fluorides making it compulsory for Secured land filling. R&D team has successfully developed process for recovering value products from the waste streams of both Spent pot line and Shot Blast dust. The recovered products like graphite and cryolite can be utilized in high end applications. Basic Engineering exercise consisting of List of Equipment, Equipment Layout, Mass Balance, Energy balance and total CAPEX requirements have been prepared for both the processes and Pilot plant of suitable capacity can be planned for the same.

Product development

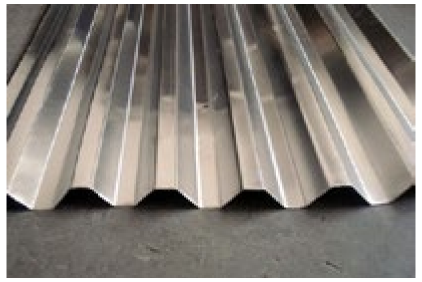
New products launched in FY23

Alloy Wire Rod

High performance alloy wire rods with customised properties for improved energy efficiency, operational longevity and superior conductor functionality.

Aluminium Circles

High quality aluminium circles with exceptional drawability and surface finish to meet domestic kitchen applications.



Roofing Sheet

Innovative roofing sheets, tailor made for structural, automotive and marine applications.

Intellectual Capital

Adopting artificial intelligence

The Company has adopted artificial intelligence-based technology to limit the risk of injury. We will use AI-based insights to ensure safety during the manufacturing process and remote safety surveillance 24X7.

Comprehensive AI models are created on cameras, sensors, edge devices and drone data which identifies and manages safety risks during the daily operations, construction projects, shutdowns and turnarounds. The AI-powered software also enables our in-plant monitoring team to collect real-time asset data for proper and timely decision-making.

Benefits achieved through AI:

Automated various safety standards such as OSHA, IOGP 577, COHS and many more which has eased the process of monitoring and controlling the rate of accidents and injuries	Brought a sustainable change in the internal working environment by tracking multiple hazards and detecting possible threats in real-time
Identifies the possible risks which may arise due to violation of any regulation	Provides report on the latest market trends and dynamics which may create an impact on the internal operation of the organisation
Provides weekly analytics of the whole site including 360-degree coverage of hard to reach areas	Ensures traceability and referencing for all safety events along with leveraging designs for large scale data consumption.

Assuring quality

The Company adheres to the Quality Management Framework, which aids in the alignment of policies and business plans, ensuring overall organisational improvements and stakeholder involvement. The Quality Management Framework assesses quality from the acquisition of raw materials through the delivery of completed items to customers.

1st position

In Quality Framework Assessment audit

As a quality-conscious Company, we are committed to conforming to all quality aspects, beginning with screening supply chain partners, processing products, the type of logistics appointed, the kind of advertising done, and finally the seamless delivery to consumers.

NABL accredited metal lab

Our in-house metal lab has been granted NABL accreditation in accordance with ISO/IEC 17025:2017 in the disciplines of chemical, electrical and mechanical testing. Using multiple sophisticated testing processes, our internal team conducts various chemical analysis, mechanical and electrical tests on the materials to ensure quality of the materials and microscopic examinations are done to reduce defects.

IATF 16949:2016

Certified for International Standard for Automotive Quality Management Systems

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

Ensuring reliability through certifications

BALCO is now Bureau of Indian Standards certified. We have BIS license for seven of our aluminium goods such as rolled products (sheets, plates, and plates for general engineering), wire rod, alloy ingot, EC ingot, and primary ingot.

1st

in India to receive certification for Rolled products

2nd

in India to receive certification for Aluminium Ingot, EC Ingot and Primary Ingot.

We are the first organisation in India to perform Cold PoDFA (Porous Disk Filtration Apparatus) sampling and testing with our in-house techniques and arrangements. The testing has successfully qualified and ensured fulfilment of customer requirements. Now, BALCO, being the first lab in the country with in-house facility, have confirmed order placement based on the PoDFA results.

1st

Lab in India with cold PoDFA facility for verification

At BALCO, we are dedicated towards taking calculated risks and implementing new and innovative solutions to overcome business problems arising due to the internal and external factors. We ensure constant monitoring of our manufacturing facilities through real-time status of the machinery utilised for production. In addition, we use predictive analysis to gain an early warning of a potential breakdown, allowing us to take appropriate action.

Intellectual Capital

Centralised Security Operations Centre

The CSOC is a comprehensive system designed to enhance our security posture through continuous monitoring, prevention, detection, analysis, and response to security incidents.

By employing skilled personnel, streamlined processes, and advanced technology, CSOC ensures a secure and efficient working environment for BALCO. Key features of CSOC include intelligence gathering, audit and governance, data analysis, surveillance, patrolling and security checks, incident management, emergency response, and asset management. The primary objectives are to coordinate responses to security incidents, monitor security posture, maintain security incident databases, reduce response times, provide alerts and notifications, manage traffic, train personnel, and conduct periodic audits and checks.

Usage of IR thermography technique for rise in temperature detection before fire and generates fire triggers (hooter) to Control room and CSOC

ISO/IEC 27001:2013

Certified for Information Security Management System (ISMS)

Functions of CSOC

- Real-time management for prompt reactions to security events
- Monitoring and maintenance to ensure optimal asset condition
- Reduction of manual processes for efficient resource utilisation
- Asset tracking for seamless monitoring of asset movements
- Asset optimisation to strike a balance between efficiency and reliability

CSOC

is a vital solution for us to safeguard our assets and maintain a secure working environment.

Data security and privacy

In addition to several rules, BALCO has department-specific authorisation on various digital platforms with varied responsibilities to ensure comprehensive security and privacy of personal data. Several controls and solutions, including role-based access control, data loss prevention software, data categorisation, and data labelling, have also been introduced. Workers are also given cyber security training on a regularly.

We have established a Desktop Security Policy whose features includes

- Updated antivirus software on all workstations
- Exclusive use of BALCO-owned equipment
- Approval system for hardware/ software changes
- Prohibition of non-essential or pirated software
- Password protection and screen saver activation
- Individual user logins and no sharing of PCs

Digitising supply chain

BALCO strives to reduce external risks by implementing advanced digital solutions. We have automated the development of Goods Receipt Notes (GRNs) for parts, consumables, and commodities, as well as the preparation of Lorry Receipts (LRs) for delivering completed goods. This has resulted in increased efficiency, cost savings, environmental sustainability, improved accuracy along with easy record keeping and better customer service.

The development of an Integrated Vehicle Management System allows us to ensure the entry of the right carrier and contents. We also have a GPS system that tracks the movement of all inbound and outbound trucks carrying raw materials or finished goods. In addition, we have implemented online RGP (Returnable Gate Pass) and NRGP (Non-Returnable Gate Pass) to correctly trace materials or equipment leaving production plants.

Integrated Transport Management System (ITMS)

Our aim is to transform the logistics industry by implementing an Integrated Transport Management System (ITMS) that will oversee both inbound and outbound vehicle movements. By incorporating ITMS, we intend to replace existing manual and disintegrated plant transport operations with a digitally enabled, automated solution. This approach will allow us to manage vehicle movement operations in an integrated manner, eliminating unwanted delays and increasing visibility. The scope of vehicle movements will encompass mines to plant, plant to plant, plant to customer, plant to depot, supplier to plant, trans-shipment, and contract vehicles.

The features of ITMS will be extensive, ranging from order management and load planning to fleet management and route analysis. By implementing this system, we will also be able to leverage business intelligence and analytics to further optimise our logistics operations. As we embark on this journey, we are confident that ITMS will not only modernise our processes but also provide a more efficient and seamless experience for our customers and partners.

Achieving sustainability through digitisation

We are striving to become a zero-waste organisation. With this objective, we are trying to incorporate technological interventions across all aspects of our operations. We use a digital platform for oil balancing extensively in our manufacturing process, which monitors the quantity of fresh oil used and, as a result, increases the oil recycling rate without incurring any loss.

We have a technology in place called the Advance Pattern Recognition system that predicts the potential of equipment malfunction and minimise its reoccurrence. In addition, the automated model aids in estimating the variation that may occur in the power schedule, causing power use to exceed the required amount. We can quickly address the concerns with these solutions, reducing our energy use.

Intellectual Capital

Achieving sustainability through innovative projects

Over the years, we have made significant strides in enhancing our manufacturing processes and procedures to minimise our environmental impact and embrace a more sustainable future. To achieve our eco-friendly goals, we have introduced several innovative projects. These include the application of Quinoline for mitigating hazardous waste exposure, repurposing rodding dust in GAP to decrease waste production, and implementing an automated syphon cleaning machine to ensure employee safety and time savings, among others. Collectively, these initiatives enable us to work towards a more sustainable and greener future.

Nano Emulsified FO System (NEFS) implementation

At present, our factories consume 65 KL of HFO daily. By implementing the NEFS system, we can achieve significant savings due to its ability to enhance secondary atomisation, decrease emissions, and improve heat rate. As a result, HFO consumption can be reduced by 10-15%, potentially leading to an annual savings of INR 7 Cr. We have initiated trials of this system at our Bake Oven, which have already demonstrated promising outcomes.

10.45%
Savings achieved in trial run

Al_2O_3/Si base solution to reduce anode oxidation

In our efforts to reduce carbon consumption, we have developed an Al_2O_3/Si-based solution that moderate the oxidation of anode material. This innovation has the potential to cut carbon consumption at the pot line by 5 kg/MT. We have already conducted pilot trials and explored mechanised systems, both of which have yielded positive results for our operations.

Enablon

Our Vunified: Enablon portal and mobile app is an innovative, single Health safety and Environment (HSE) digital platform that comprises seven key HSES modules.

1. Incident Management
2. Observation Management
3. Data Management
4. Management of Change
5. Process Hazard Analysis
6. BP Safety Management
7. Risk Management
8. Audit Management

Previously, we relied on various portals and even maintained some modules in hardcopy form. With the Enablon solution, we have successfully transitioned to a paperless and integrated platform.

Streamlining operations

All of our employees now have access to the system, allowing them to report incidents observations, safety rounds, safety interaction, etc. in the portal while area-wise in charges are assigned to validate and take appropriate action directly through the portal. This integration has brought all our sub-units and Vedanta units onto a single HSE platform, ensuring uniformity and streamlining operations. The platform also enables the sharing of HIPO incidents and learnings across Vedanta units for horizontal deployment.

The ability to generate reports in a variety of formats has significantly improved data retrieval and system tracking processes. The system's user-friendly interface has ensured accessibility for both our employees and our business partner employees, promoting seamless collaboration. Through the implementation of the Enablon portal and mobile app, we have undoubtedly elevated the management and execution of our HSE operations to new heights of efficiency and effectiveness.

Digital Initiatives

Refractory App Launch

As part of our ongoing commitment to digital transformation, we have launched the Refractory App in this financial year. This cutting-edge application enables the digital monitoring of our refractory unit, effectively managing all refractory-related data, historical records, and trends.

Advantages of the Refractory App

- Real-time data analysis
- Rapid data retrieval
- Centralised repository for furnace efficiency data
- Continuous monitoring capabilities
- Transparent reporting
- Predictive analytics for furnace lining
- Generation of high-quality data

Bath Sensor Collaboration

We have partnered with Jawaharlal Nehru Aluminium Research Development and Design Centre, Nagpur, to automate the monitoring of bath parameters. Together, we have developed and installed an advanced bath sensor that measures critical parameters such as operating temperature, liquidus temperature, superheat, and excess alumina percentage. This collaboration exemplifies our culture of 'Empower, Engage, and Inspire,' significantly contributing to our digitalisation journey.

Benefits of the Bath Sensor

- Improved current efficiency, resulting in reduced power consumption
- Instantaneous results
- Increased precision in pot operations
- Real-time assessment of bath properties
- Synchronised bath parameter measurement
- Insight into cell stability for enhanced performance
- Optimised energy consumption planning
- Minimised instabilities

Metal Digitalisation for Pot Room

We developed and in-house mobile app for our employees to track and analyse aluminium smelting pots (electrolytic cells) which needs maintenance. We can now get real-time alerts in case there is any glitches enabling us to make instant decisions. This also allows us to real time monitoring of burner controller and water used to cool down the metal for making finished product in cast house further leading to efficient fuel consumption and enhanced product quality.

DIGIFIN - BALCO

We took several initiatives under our "DIGIFIN BALCO - Digital transformation of Finance program" where with strong governance we look forward to strengthen our monitoring process, reducing turnaround time of financial processes and eliminate opportunity for errors.

HUMAN CAPITAL

At BALCO, our success relies on the strength and resilience of our human capital. BALCO's operations necessitate specialised knowledge, for which we hire qualified technical, engineering and geological experts.

Furthermore, we foster a culture of safety, innovation and inclusivity, which facilitates the achievement of our organisational goals and encourages the personal and professional development of our workforce.

Highlights for FY 23

1,773
Total strength of BALCO

88
Employee engagement score

50%
Diversity is maintained in hiring freshers

Our human resources

Our talent pool is our most valued stakeholder and our most differentiated asset. Their sincere efforts to enhance productivity and operational excellence lend us a competitive edge over our competitors. In the years ahead, we remain committed to leveraging our human capital as we continue to create sustainable value for all stakeholders.

Building a collaborative workspace

We are actively implementing various employee engagement initiatives to build a collaborative workspace. Our employee-connect sessions helped our entire workforce interact with other co-workers from different departments across all organisational levels. Interestingly, these direct interactions with the top management informed our people about the Company's strategic plans as well as the short and medium-term objectives.

At BALCO, we are focusing on creating a transparent, unified and purpose-driven organisation. We also organising programmes to empower women and engage freshers through various activities in FY23. This year, our people also participated in several ESG workshops conducted by the organisation.

Highlights of the FY23 engagement programmes

BALCO Talks

BALCO Talks are our own customised version of TED Talks. These provide a platform for the senior and middle management executives to share their diverse experiences and expertise with the young people of the organisation to help them better understand how to capitalise on emerging opportunities, both professionally and personally.

CEO Town Hall

We firmly encourage open dialogue with our colleagues across all our business verticals. BALCO organises a CEO Town Hall every quarter, during which we clearly communicate our business agenda, quarterly targets, safety points to be adhered to and employee welfare initiatives in line with the Company's core values and mission. We also publish our own e-newsletter, 'BALCO Today,' which covers the major activities and programmes organised across the plant.

Leadership Connect

This platform's objective is to promote interaction with senior leaders. The project has made it easier for employees to share their job experiences, difficulties, and grievances directly with the seniors. Within BALCO, this campaign has covered more than 100 new employees and 50 laterals or transfers during FY23.

Outbound Learning Programme

We conducted an outbound learning programme, 'Explore – Ek Khoj 2023', with 173 new members participating in it. It was organised outside the usual workplace. This aided in connecting with employees and engaging in numerous adventurous events, which facilitates employee grooming.

Human Capital

Suraksha Kutumb

We have launched this project to foster a culture of care and belonging at BALCO for all our people. This offers opportunities to strengthen internal relationships. In this drive each executive is mentoring and made responsible for ensuring safety of 10 to 15 business partner employees. The Coaching and safety culture enhancement are also covered under this programme, which drives the CARE culture for our people.

Superwoman EXCO 2023

We have put forth an extensive effort to encourage our female employees, giving them the freedom to express their creativity and employ their innovative thinking to develop cutting-edge concepts. During International Women's Day week, we hosted the iconic 'Super 50,' where all the senior management positions were filled by female employees for 2 days. This initiative raised awareness about the adoption of employee diversity in leadership positions by empowering the female workforce.

Prithvi – ESG Workshop

At BALCO, we implemented several conservation and ecosystem restoration initiatives by employing cutting-edge technologies, along with all our people across various operational locations. This educated our people to operate in an eco-friendly manner with zero plastic usage. The workshop also encouraged our people to identify the best practices for achieving the ESG objectives of our Company.

Thanksgiving Day

We are an organisation that sincerely cares for each of our employees. Recognising the efforts of our security personnel, chefs, fire fighters, housekeeping team and IT team for their back-end efforts and the crucial role they play in ensuring our success, we began implementing small yet significant initiatives to honour them. On Thanksgiving Day, we engaged with them to extend our sincere gratitude for their dedicated services.

Building enduring bonds through focused employee-engagement programmes

Through various engagement activities our learning and development team has organised a team-building event to reinforce employee bonds beyond the workplace. Through this initiative, we have united all our employees under one roof and fostered a sense of belonging among the BALCO family. We have more than 80 additional staff covered under this programme till FY 2023.

88

Employee engagement score

We highly encourage our people to come up with innovative ideas. To achieve this, we conduct the 'idea@balco' programme every month to solicit new and creative ideas from our people. An average of five ideas out of all the submitted ones are chosen and strategies are developed based on them.

We also regularly track employee satisfaction. These are conducted through the Great Place to Work (GPTW) and the Kincentric surveys. The management responds to survey responses regarding employee concerns and develops methods to address them as soon as possible.

To resolve our workers' complaints regarding the workplace and corporate culture, we maintain an effective employee grievance redressal mechanism. Along with ensuring strict adherence to the POSH regulations, we also have awareness modules to train our personnel on the Code of Conduct, Business Ethics and Whistle-Blower Policy.

We focus on our hiring, sensitisation, talent retention and development processes, as well as pertinent infrastructure expenditures, as we strive to incorporate equity, inclusion and diversity. Our objective is to create a workplace that encourages a culture of trust, integrity, empathy and respect for every person.

3%

Attrition rate

Talent acquisition

During FY 2023, BALCO onboarded over 135 freshers from top-tier educational institutes across the country while maintaining 50% gender diversity during recruitment. The best candidates are shortlisted based on merit, skills were behavioural criteria appropriate for the job role.

We have also conducted a well-designed cross-business induction process for management trainees to understand the aluminium sector. Towards this end, We undertook a targeted people practices approach by implementing skill development activities and team-building exercises with the guidance of senior management members to enhance productivity.

BALCO Buddy System

We have launched a flagship programme called the 'Buddy System' to inform the new employees about the rules, norms and culture of BALCO. Each of the new hires is assigned a buddy with whom they can interact, engage and learn more about the work environment. This ensures a smooth transition into the corporate culture as it helps foster a feeling of inclusion and belonging.

Ghar Vapsi

We have initiated the re-hiring of our top personnel and leaders into the organisation based on business needs. Through the Ghar Vapsi project, we are recognising the former regular and full-time employees whose skills and knowledge can be utilised in any critical job role, according to the re-hiring policy. During 2021, six highly competent employees were re-hired and during 2023, two such ex-employees were re-hired.

Human rights

We are committed to respecting, safeguarding and upholding the human rights of all stakeholders in our value chain. All of our sites, along with the entire value chain, have structured channels for communicating grievances that are accessible to the rights holders.

Some of the policies implemented for employee well-being include:

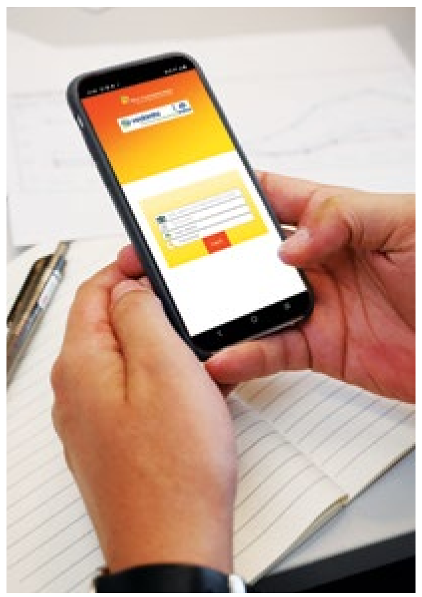
- Mediclaim and accident insurance policies which offer monetary benefits to employees and their families in the event of medical emergencies and accidents.
- Maternity benefits policy according to the rules and regulations.
- Gratuity and Provident Fund policy following the regulations
- Equal Opportunity policy
Targeted at providing equal employment opportunities without any discrimination on the grounds of age, colour, disability, national origin, state, religion, race, sex, and so on.
- Whistle blower policy
To govern the receipt, retention and treatment of complaints and to ensure the anonymous reporting of the stakeholders, employees and cases reported.
- POSH Act based on regulations.

Technology-based HR practices

The integrated digital HR platform, called 'Darwin Box', manages all the aspects of HR operations, including the recruitment process, employee performance, remuneration process and so on. BALCO has an LMS portal and a digital buddy system in place for training our people. The system assists our people and aids in the resolution of any workplace-related concerns.

Mobile app for easier access to Provident Fund information by employees

BALCO has launched its first mobile app for Employees Provident Fund Statement View, enabling employees to view and manage their Provident Fund accounts with just a single click on their mobile phones. This initiative demonstrates our strong commitment for leveraging technology to enhance the employee experience by streamlining important administrative processes and making them more user- friendly.



Encouraging diversity and inclusion

In FY2023, we encouraged diversity by providing everyone with numerous opportunities to succeed, regardless of their gender, caste, colour, religion, and other factors. Together with the inclusion of 14 transgender people and one person with a disability, we have also maintained high diversity in the decision-making bodies inside our organisation. Additionally, we prioritise local hiring across the plant locations to encourage community empowerment. Currently at BALCO, we have 63% local hires as executives, 93% as workers and 88% as contract workers. In addition to this, we have concentrated on hiring minority people from Jammu and Kashmir and the North-Eastern states.

During Pride Month, 14 members of the LGBTQ community were welcomed into the BALCO family across various domains. We marked the celebration of the spirit of diversity and inclusion by fostering an inclusive corporate culture and actively engaging with our LGBTQ members.

50%
Diversity is maintained in hiring fresher

10%
Minority hired from the North-Eastern states and Jammu and Kashmir

9%
Diversity is maintained in hiring senior managers

20%
Total female employees

Developing and sustaining high-performance

At BALCO, we believe that educating our people through ongoing training and development programmes will enable them to implement their skill sets more effectively and perform even better.

Several training sessions are conducted based on behavioural changes, adherence to the Code of Conduct and corporate ethics. Also, our people receive regular training on technological advancements to enhance their productivity. A regular safety training programme is also offered by BALCO to help reduce the frequency of accidents that occur during production.

All our training requirements are identified after considering the skill matrix, the overall business need, as well as the functional and safety standards. Following this, every month, the leaders, executives, workers and contract employees receive proper training.

We have also partnered with BITS Pilani for an integrated learning initiative called 'Project Horizon' for the development of senior leadership.

The training initiatives have helped develop star employees with high performance, thereby leading to an overall increase in ROI.

15
Business Stars identified

23
Technical Stars identified

7
Value Champions

Leadership Programme FY'23	Laders Identified Developed FY23 Till Date
Mines Act-Up	1
Project Act-Up	10
Top Emerging Leaders- Leadership Identification and Development Programme	14
Non-HR 1 HR	3
V-Excel Top Performers Batch 2021-22	19
Business Stars	15
Technical Stars	23
Value Charpiers	7
Total	**92**

Initiatives undertaken to drive greater efficiency and enhanced performance

V Reach Lead Excel Aspire

V–Reach
Considering the philosophy of 'Growth from within', we have introduced a process to identify talent and equip future leaders of our organisation with a development strategy.

V–Lead
In keeping with our long-term sustainability roadmap, we have taken steps to train highly capable female leaders across all business verticals.

V–Excel
This initiative has been structured to enhance the unique talent development of the new members under the guidance of the senior leaders. This is done through a digital platform that is available 24 hours a day, 7 days a week accessible from anywhere. The initiative involves onboarding, engaging, grooming and nurturing young employees and new hires to drive the overall development of the Company.

V–Aspire
With a primary focus on cross-business movements, this programme is intended to provide our cost and management accountants with additional roles and responsibilities.

Human Capital

ACT UP

This is a flagship initiative of BALCO, which involves case studies, group assignments, personal interviews and online personality profiling through which we can easily evaluate the leadership potential of our talent pool. Through the STARS identification and development process, we can easily map the right people for an enhanced leadership role at an early stage.

Job Rotations

As a futuristic organisation, we have a job rotation policy in place that ensures that positions are switched every 3-4 years across different locations, roles and functions. This enables our people to gain a wider perspective and experience on both internal operations as well as the industry as a whole.

Man-days of training provided in FY23

7.6

Executives

2.0

Workmen

1.1

Contract workforce

Rewarding our people

It is a part of our culture at BALCO to recognise the sincere efforts of our employees. To that end, we conduct felicitation ceremonies to reward our star performers for making great contributions towards the sustainable growth of the organisation. We also focus on recognising employees who have been with us for over 25 years and are dedicated to providing services. We organise the Long Service Award ceremony to boost and encourage our employees for their long and dedicated service.

We conduct a CEO award ceremony where eligible team members are recognised for their efforts. The V-Excel top performers award comprises three levers: performance, anchoring and care. Every year, the best performers are awarded a trophy and certificate by the senior management.

Awards and recognitions to drive us forward sustainably

BALCO received several accolades during FY23. We were also acknowledged in a variety of categories. Our wins this year will pave the way ahead of us with a strong team of committed, skilled and enthusiastic individuals.

- Happiest Workplace Award
- Great place to work(GPTW) award
- Kincentric Best Employer Award
- International Titan Award
- WE Global Choices Award
- Great Managers Award

Ensuring employee health and safety

We have strengthened our initiatives to ensure our employees' holistic well-being. In order to reduce the incidence of health concerns among our staff, we organise regular fitness and yoga programmes. We also host mental health workshops and self-care sessions to help people cope with stress and anxiety.

Some of the initiatives implemented by BALCO towards enhancing physical, mental and social wellness in FY23 include:

Self-care session

On World Heart Day, BALCO conducted a self-care session for all employees, with Mr. Ashish Agarwal leading the session. It aimed at raising awareness among employees regarding cardiovascular diseases, stress management techniques, the significance of a healthy sleep schedule and its effects on the biological sleep clock (Circadian Rhythm), as well as work-life balance and well-being.

Session on prioritising mental health at workplace

Following the pandemic, mental health concerns have been on the rise. Considering that, BALCO conducted a wellness session for its employees on the topic 'Healthy Minds, Healthy Lives: Prioritising Mental Health at Workplace' headed by Dr. Venu Gopal Margekar, MD, Medicine. Raising awareness of mental health concerns and the importance of making mental health a priority in daily life were the major objectives of this session.

World Health Day

On the occasion of World Health Day, BALCO launched a #10MinExercise campaign at the workplace to promote heart wellness among its team members and empower them to raise awareness among their friends and family. The initiative was launched for all O&M and enabling functions and covered over 500 employees.

A blood donation camp was organised by BALCO on World Health Day as part of promoting a healthy lifestyle among its stakeholders. Along with BALCO's personnel, the senior management also actively participated in the event.

WE - Care

As part of this initiative, various sessions and workshops on mental health, hygiene and physical health were conducted for female employees.

Sakhi – The Women Wellness Session

During International Women's Day 2023, BALCO organised Sakhi – The Women Wellness Session covering 500 women employees of BALCO including executives, workmen and contract workers to promote health and well-being of female employees and empower them to raise awareness among their friends and family.

Provided Booster dose to our people

The pandemic has been challenging and we consider the health and well-being of our employees to be our responsibility. We are still following the process of regular vaccination for our employees and their family members. During FY23, we conducted vaccination drives for our people and provided them with the COVID-19 booster dose vaccine.

Occupational Health and Safety

We at BALCO have enhanced our occupational health and safety initiatives during FY 2023 and are now more focused on ensuring consistent care for our employees by protecting them from all potential occupational hazards. Moreover, we organise regular health check-ups to closely monitor the health of our people.

We have done workplace Hygiene monitoring through competent party (both qualitative & quantitative) and framed action plan for reducing red zones at site. In order to track occupational health of our employees we have initiated Care Wings at each SBUs where doctors are made available on scheduled basis for diagnosing and monitoring the overall wellness of employees and business partners.

ISO 45001:2018

Certified for Occupational Health and Safety Management

The major initiatives undertaken towards occupational health and safety during FY 2023 are-

Occupational health

- A red zone survey was conducted by a third-party, where they analysed all the quantitative and qualitative aspects of those areas that were exposed to OH hazards such as heat, noise, dust, vibration and EMF ergonomics, as well as those that exceeded the permissible limits were analysed.
- We have digitalised our Periodic Medical Examination system for employees. The online portal helps in reserving slots and tracking compliance area-wise.
- We have conducted skeletal fluorosis tests for our 118 employees who are engaged in potline activities.
- We have arranged eye camps for our drivers and employees involved in crane and lifting activities, along with complete health check-ups for our logistics drivers.
- Occupational health related training programs were organised for employees and business partner employees and a total of 2899 employees have benefitted.
- We also have the best-in-class advanced life support ambulances deployed in the occupational health care centres inside our manufacturing plants.
- In cases of suspicion, we have our drug testing kits and screening systems in place.
- Throughout the fiscal year, we arranged various wellness programmes on Yoga Day and Heart Day while focusing on female health and hygiene. Additionally, we organised an AIDS awareness programme for our employees, which was conducted by renowned doctors and professionals.

249,196 Man Hours

of HSES training done in FY23.

Occupational safety

Safety is a fundamental and strategic priority at BALCO, permeating all aspects of our operations and decision-making processes. BALCO is commited towards zero harm at workplace. Safety constitutes an essential and non-negotiable component of our business philosophy. We demonstrate unwavering commitment to ensuring the safety and well-being of our employees, business partners, and the communities we operate in. This year we didn't have any fatality across our site.

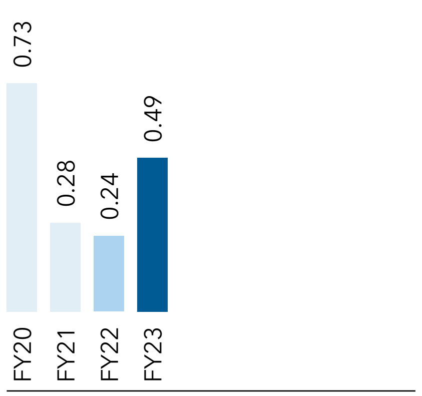
To reinforce our safety culture, our senior management actively engaged in interactive sessions with our shop floor employees. These sessions effectively communicated the concept of the "Right to refuse unsafe work," highlighting the utmost importance of employee safety. The primary objective of this initiative was to empower our employees to voice their concerns when confronted with hazardous working conditions.

In order to facilitate effective communication, we have established a dedicated safety helpline contact number exclusively for all of our employees including business partners. This helpline serves as a direct channel of communication through which employees can report safety concerns, incidents, or any observed unsafe work practices. It offers a readily accessible means for employees to raise issues related to safety.

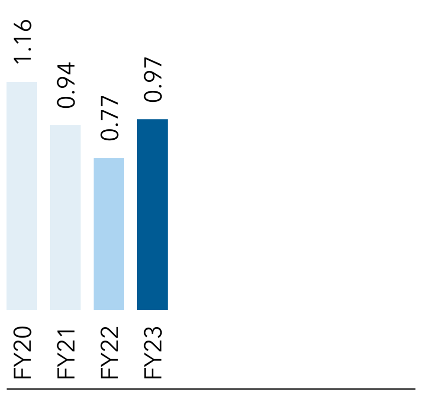
At BALCO, we firmly believe that safety is not merely a regulatory requirement but a fundamental value that underpins our operations. We are committed to fostering a safe and secure work environment, where our employees feel empowered to actively participate in promoting and maintaining safety standards.

Safety performance

LTIFR



TRIFR



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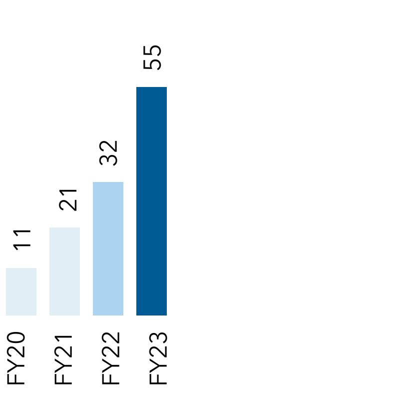


Human Capital

Safety at BALCO

Project Sankalp, initiated by BALCO, has taken several measures to enhance safety culture and improve overall safety practices within the organisation for this we have engaged M/s. DuPont Sustainable solutions. We have governance team led by Senior Leadership for driving various modules of Safety culture building in which Sub-committees develops systems to be implemented and BU implementation committees track implementation at sites.

We organize a monthly safety gathering called Suraksha Sankalp which is scheduled on the first day of every month. Every month has a defined safety theme and various focussed drives are being conducted based on the monthly theme. The Suraksha Sankalp gathering provides a platform for management and employees to discuss safety-related topics, share updates, and reinforce the commitment to safety. It serves as a regular forum to address safety concerns and provide necessary guidance.

We have implemented SAP Based safety permit system which has provided ease to users through digital media and better record keeping.

We have introduced a digital signage system across its facilities. These digital signages displayed important safety messages, reminders, and guidelines to create awareness among employees. This visual communication medium helped reinforce safety practices and keep employees informed.

90 Days Transformation journey completed for standardizing machine guarding across BALCO.

3rd Party Safety Audit as per IS 14489:2018 conducted.

Suraksha Samvaad- BALCO senior management along with business senior management interacted with all shop floor employees to empower them for "Right to refuse unsafe work".

Kalinga Safety

Excellence Award- Silver Category -2022 for Metal Division

CII Platinum winner

for Digitalization in HSES

National Safety Week

We at BALCO have celebrated the 52nd National Safety Week with the aim of 'Zero Harm'. The celebration comprised of 16 different types of events at different locations involving over 6000 employees and business partners. The events involved dramas, quiz competitions, health check camps, safety drawing competition, short film, safety reels, workshops along with family connect and top management message on safety.

Dupont partnership

We at BALCO, have engaged DuPont, a renowned safety solutions provider, to assist in building a robust safety culture across the company through Project Sankalp. DuPont's expertise and experience in this field were leveraged to develop effective safety practices.

We have implemented a Critical Risk Management (CRM) based program in collaboration with DuPont Sustainable Solutions. This program focused on identifying critical risks within the organisation and developing strategies to mitigate them effectively. The CRM platform facilitated tracking, monitoring, and reporting of safety-related issues and their resolutions.

Amongst the Vedanta units, CRM was launched first in BALCO. Out of the 9 critical risks identified for BALCO, 5 have been successfully rolled:

1. Fall of Persons and Objects from Height
2. Vehicle Pedestrian interaction
3. Molten Metal
4. Entanglement in Moving and Rotating Equipment
5. Uncontrolled release of Energy

DSS consultants devote valuable time each month to various activities aimed at coaching our people in safety management. They also provide training sessions to both company employees and business partners, actively participate in safety reviews, and conduct incident investigations and CAPA (Corrective and Preventive Actions) reviews at each site. Additionally, DSS consultants have organised a Job Cycle Check workshop. Through this comprehensive approach, there has been a significant improvement in the engagement of both our employees and those of our business partners in safety management.

Road safety

- We have established Driver Management Centres to ensure proper management and monitoring of vehicle drivers. These centres were responsible for driver training, compliance with safety regulations, and promoting safe driving practices. They played a crucial role in enhancing road safety and reducing accidents involving BALCO vehicles.
- We have a traffic management plan and have vehicle specific checklist which gets audited regularly.
- We have installed GPS tracking devices in over 700 coal trucks as part of a vehicle monitoring system. This system enabled real-time monitoring of various parameters such as turnaround time (TAT), over-speeding, and route deviation. Central monitoring facilitated effective fleet management and improved safety measures.

BALCO is now operating with revised road safety measures introduced during FY23. Some of them include

- Implemented a centralised authorisation system for internal car drivers.
- Setting up Driver Management Centres at the coal and material gates.
- Trained 860 coal and ash truck drivers to ensure fewer accidents.
- 1091 toolbox sessions were conducted for drivers to ensure compliance with all health and safety protocols.
- Internal coal and ash trucks, as well as vehicles carrying finished products, were inspected regularly.
- Regular health camps were arranged for 230 internal drivers.
- Quarterly fitness checks were organised for the drivers.
- A third party was involved to inspect and improve the vehicle and driving standards, along with continuous speed tracking.
- A unique programme, the Critical Risk Management Drive on 'Vehicle and Pedestrian Interaction Risk' was launched. 100% audit was conducted on the same according to the schedule.
- To prevent accidents, safety signs were installed in prominent locations, along with digital pedestrian signs installed in carbon and cast house areas.

Fire safety

Our fire safety is an ongoing process and a proactive approach to identifying and mitigating potential fire hazards is crucial to maintaining a safe working environment.

- Regular mock drills
- Fire safety trainings
- Fire safety audits across manufacturing plants
- Onsite and offsite emergency response plan for alerting authorities, evacuating personnel, providing medical assistance, and coordinating with external emergency services.
- Fire emergency vehicle
- Efficient, skilled and trained rescue team with best-in-class equipment
- Monthly SBU wise Fire Safety Score Card for effectiveness evaluation.

3104

Fire safety training man hours

Safety risk assessment

Safety risk assessments are conducted for all non-routine activities through JSEA (Job Safety & Environment Analysis), while HIRA (Hazard Identification and Risk Assessment) is performed for all activities. Additionally, area managers conduct scheduled critical task audits to ensure safety measures implementation.

Safety training

Employees and contractors receive safety trainings through different methods, including induction sessions and an annual refresher training. Specialised trainings are also conducted for high-risk jobs, and a specific program focuses on safe driving practices. Innovative approaches using AR, VR technologies are used to enhance the training experience. Virtual safety trainings help in stimulating real life environment so that the employees get a feel of the reality which ensures better implementation of the safety protocols on the field.

BALCO won Global Road Safety Award 2023

in Gold Category for road safety initiatives for FY23.

Sustainable Factory of the Year won

by Frost & Sullivan and TERI

Gold Rating at

7th Annual OHSSAI Awards 2022

in Sustainability Category

AatmaNirbhar Factory

Recognition Program (AFRP) Award by IRIM

1st

Aluminum industry to receive Greenco Rating from CII

Diamond Trophy

at National Awards for Manufacturing Competitiveness (NAMC) 2022

Objective

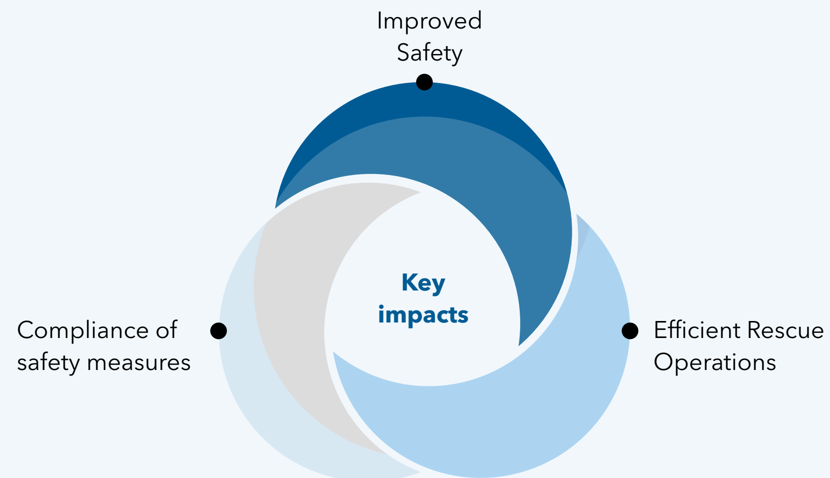
The objective of this project is to develop an improved suspension rescue system for individuals working at heights, ensuring their safety and minimising the risk of unconsciousness caused by prolonged hanging time.

Problem statement

The maximum safe hanging time is limited to 10 minutes before the risk of unconsciousness due to reduced blood flow to the upper body becomes a concern. This limitation poses a significant obstacle to efficient rescue operations and delays the overall working at heights (WAH) activity.

Solution mechanism

To overcome these limitations, the project has focused on designing and implementing an enhanced suspension rescue system. This system includes a shock-absorbing mechanism and a full-body harness without shock absorber, both of which will be readily available for emergencies. By integrating these features into the rescue system, we aim to extend the safe hanging time, reduce the risk of unconsciousness, and improve overall compliance with safety guidelines.



SOCIAL AND RELATIONSHIP CAPITAL

BALCO's endeavour is to make a positive change in the lives of those in our communities. As a responsible corporate citizen, we make sincere efforts to encourage community development. In addition, through BALCO CSR, we try to achieve our greater objective of creating sustainable value for all our clients and stakeholders.

Our success over the years is an outcome of the long-term relationships that we have built with our stakeholders. These enduring relationships with our people, clients, value chain partners and stakeholders form our social and relationship capital.

CSR vision

"To empower and support communities, especially neighbourhood communities, in achieving greater economic and social well-being."

CSR Philosophy

We are committed to the principles of sustainable development, protecting human life, health and environment; ensuring social well-being and bringing prosperity to the communities. We have a well – established history and commitment to reinvest in the social good of our neighbourhood and nation. We believe that as a socially responsible entity our programs are aligned to community needs, national priorities and the United Nation's Sustainable Development Goals.

Our Approach

BALCO CSR works towards a larger goal of creating enduring value for the communities it works in. Towards that end, we undertake various community programmes as part of our Corporate Social Responsibility (CSR) across various thematic areas i.e., Education, Sustainable Livelihoods, Health, Water & Sanitation, Women's Empowerment, Environment & Safety, Sports & Culture, and Community Asset Creation including community development. Our CSR projects are carried out in partnership with the Government, local communities, and various NGOs.

Transparency and accountability form the core of our corporate governance practices and are achieved through strong systems and processes that are regularly reviewed and revised as per our CSR policy. For evaluating our CSR efforts, a third-party needs and impact assessment is being conducted once every three years to chart the roadmap for community interventions and mid-course corrections, apart from regular monitoring mechanisms. During the year, the said assessment was conducted for our projects Mor Jal Mor Maati, Vedanta Skill School, Unnati, Nayi Kiran, Arogya, Mobile Health Van, Balco Medical Centre and Connect by KPMG Assurance and Consulting Services LLP, some of the highlights are as follows:

Sustainable Livelihoods

Mor Jal Mor Maati

Multidimensional change in Farmer's lives

- 78% with high yield and enhanced income, 21% felt reduction in input costs.
- 50% have adopted scientific and sustainable agricultural practice.
- 37% reported an enhanced food security indicating a positive trend considering the multidimensional poverty index of Chhattisgarh.
- 29% perceived, reduction in outward migration. Ample opportunities for livelihood under project.

Vedanta Skill School

Enhanced Employability & Social Strengthening

- 68% of the trainees retained their jobs.
- 48% reported an increase in confidence and self-esteem.

Women's empowerment

Unnati

Robust development

- 67% believes that the impact of project interventions has helped them in improved decision making.

Social and Relationship Capital

Health

Nayi Kiran

Change in menstrual practice 67% women in Korba have been using sanitary napkins.

Arogya

Access to Healthcare Services through Rural Health Posts

- 69% are accessing heath care services twice a month.

Enhanced Maternal and Child Heath

- 77% perceives that there has been an improvement in access to supplements for children and pregnant women in the household.
- 69% believe that the project interventions have increased their families access to institutional delivery.

Improved awareness and Accessibility

- 65% of beneficiaries believe that there has been an increase in awareness and around 91% of the beneficiaries reported an improved access to and timely availability of healthcare services.

Mobile Health Van

Improved access

- 91% of the respondents said that the Mobile Health vans have improved access and timely availability to healthcare services.

Easy availability of medicines

- 69% of respondents pointed out that availability of medicines has increased.

Increase in health visits

- 62% of respondents said that the frequency of visits for healthcare services has also become more regular.

BALCO Medical Centre

Expanded reach

- Increased footprint in the area of cancer screening and early detection. 70% patients are Ayushman Bharat scheme beneficiaries.

Education

Connect

Improving learning environment

Around 64% have access to digital literacy skills and were using tools for the same.

Greater commitment to ensure community health

BALCO has always encouraged a 'people first' approach. We consider it our responsibility to fulfil the healthcare needs of the people and the communities, in the regions where we operate. To this end, we have initiated various programmes that involve raising awareness, organising regular check-ups, conducting training sessions and providing primary health care services.

Project Arogya

Project Arogya is a comprehensive health initiative that aims to deliver quality primary healthcare services through Rural Health Posts, raise HIV awareness and place a special emphasis on enhancing Maternal & Child Health, particularly targeting Malnutrition.

30,000+
Lives touched

3600+
Benefitted through 3 Rural Health Posts

3000+
Mothers received training on caregiving practices

20,000+
People sensitised to HIV

Rural Health Posts

Primary health care is being offered through Rural Health Posts (RHPs), which are operational in three locations:

- Chuiya
- Parsabhata
- Chotia

These centres offer effective treatment and general testing services to the neighbouring communities. More than 3600 people availed themselves of services through these Rural Health Posts. Additionally, in collaboration with the District Health Department under the Mukhya Mantri Haat Bazar Swasthya Yojana, we organised 25 health camps in remote villages, providing accessible healthcare services to over 800 beneficiaries.

Maternal and Child Health

We consistently endeavour to create value for society. As part of this effort, we strive hard to enrich the lives of children and mothers in our communities. Through our initiatives, we spread awareness about nutrition and encourage community participation to address the challenges of malnutrition.

To reduce childhood malnourishment, we first assessed the health status of 1564 children aged zero to five years through health screenings in 39 Anganwadi across 32 areas. Following identification, we conducted 25 Positive Deviance (PD) Hearth sessions covering 430 malnourished children. PD Health is a behaviour modification program that is used to rehabilitate underweight and wasted children without medical complications, sustain their rehabilitation and prevent future malnutrition. Children with critical malnourishment status, were then referred to NRCs (Nutritional Rehabilitation Centres) for a specialised intervention.

Additionally, we trained 600+ mothers on Take Home Ration (THR) recipes and created 150 nutrition gardens in Anganwadi centres and households of pregnant and lactating mothers to boost nutrition levels and promote a healthy diet.

> The PD Hearth sessions and NRC treatments have successfully improved the health of these children; 63% of the identified children have moved out of the Severe Acute Malnourishment (SAM) and Moderate Acute Malnourishment (MAM) categories.

Social and Relationship Capital

HIV Awareness and Counselling

BALCO is committed to raising HIV awareness , reached out to 20,000+ people generating awareness on HIV amongst high-risk behaviour groups like Truckers and migrant workers through canopy camps, counselling sessions. Also, conducted weeklong mass awareness HIV campaign on World AIDS Day.

Mobile Health Van (MHV)

BALCO provides doorstep healthcare by making primary healthcare accessible through the Mobile Health Van (MHV). It aims to reach remote areas and cater to those who find it difficult to afford medical services. The Mobile Health Van bridges the gap and ensures the timely availability of essential healthcare services at these locations.

14000+
People benefitted from the healthcare services of MHV

6
Multi-speciality Mega Health Camps were organised

Doorstep Service: Our healthcare services, including free consultations, medicines, rapid tests, and home visits for elderly people, were availed by 14000+ people. On a fortnightly basis, the Mobile Health Van reached the untapped corners and localities in different villages and helped patients, especially the elderly, who were unable to travel to fulfil their medical needs.

Multispeciality Mega Health Camp: At BALCO, We organised six Multispeciality Mega health camps that offered healthcare services pertaining to Orthopaedics, Dental, ENT, Paediatrics, Gynaecology, Physiotherapy and Blood Sugar, among others, benefitting more than 1700 people. Additionally, we organised 22 awareness camps, sensitising people to vaccination and other matters concerning health and hygiene.

Special consultation services by Gynaecologists through the 'Health Chaupal' on a bi-monthly basis launched this year are a leap towards ensuring good reproductive health in our communities; 176 women and adolescent girls benefited from our efforts.

Nayi Kiran

The project focuses on demystifying menstrual myths and taboos, developing sustainable hygiene practices during menstruation and raising awareness about product choices through Menstrual Health Management (MHM) capacity building to ensure safe reproductive health.

Sensitisation across communities

By educating people about menstrual health through awareness generation capacity building initiatives, we have sensitised over 48,000 Women, Men, Adolescent Girls and Boys. In addition to this, we have also expanded our roots across 5 blocks of Korba district, viz Korba, Podi Uproda, Kartala, Pali and Katghora.

Created MHM leaders

To bring about sustained behavioural change, we capacitated 400+ adolescent girls, boys, SHG women and frontline health workers (Anganwadi and ASHA workers) on Menstrual Health Management as 'Master trainers'- Torchbearers cum Leaders of change in the community. Trained Local Health Workers across the district are taking the message to the grassroots and are sensitising over 2500+ Adolescents on MHM. We have created 100 adolescent girls' and boys' groups, with an association of over 1500 adolescents. In addition, 15 adolescent girls and boys from these groups were trained on Nukkad Natak to spread the word, they are sensitising over 6500 community members.

MHM awareness in schools

Awareness sessions on MHM are also conducted in 50% of the government secondary and higher secondary schools in the Korba block to improve experiences of menarche, address frequent absenteeism and dropout, promote gender equality and delegate information regarding safe menstrual practices. Over 9000 adolescents were sensitised in 20 government schools in the Korba block.

To promote inclusivity in our communities, we have also conducted the first-ever awareness and sensitisation session on Menstrual Health Management (MHM) with Specially abled students in Korba.

A step towards sustainability

We have spread awareness about sustainable, hygienic menstrual health practices and the available menstrual health product choices. As a step to ensure the availability of sustainable and affordable menstrual hygiene solutions, we initiated a pilot on reusable cloth pads as 'Stitch My Own Pad Campaign' by training 30 women and adolescents.

Community leads MHM

The community leads the discussion on menstruation by organising MHM talks in Gram Sabhas. The five MHM Gram Sabhas held so far are a testimony to the change created in the communities. We established four Swastha Suvidha Kendras (SSK centres) as one-stop solution centres for MHM.

Our impact

48000+
community members sensitised

400+
MHM leaders created

100
MHM adolescent girls and boys groups

100%
AWWs across operational areas trained on MHM

50%
Govt secondary & Higher schools of Korba block sensitized

BALCO Medical Centre (BMC)

BALCO Medical Centre envisions a society where people are free from the menace of cancer. The BALCO Medical Centre (BMC), a 170-bed tertiary oncology facility, is a flagship initiative of the Vedanta Medical Research Foundation (VMRF). We aim to bring ultra-modern, multimodal diagnostic and therapeutic facilities within easy reach of India's population at a reasonable and affordable cost. It is located in Naya Raipur, Chhattisgarh and caters to patients from various regions. During the year, over 10,000 people availed healthcare services.

Moreover, another modern piece of equipment, the LINAC-HALCYON Radiotherapy machine for curative treatments, was also installed in the hospital. FSRT (Fractionated Stereotactic Radiotherapy) for solitary brain metastasis is done in the radiotherapy department. It also achieved successful breast reconstruction by maintaning the shape and symmetry through flaps instead of implants. This is enabling the hospital to serve a larger number of people and enables the company to make quality cancer care more accessible to the public.

First ever in Chhattisgarh: Procedures performed in NM-Trodat Brain Scan, Muga Scan, GA-68-FAPI, mIBG-131-Therapy, 177 Lu DOTA, 177 Lu EDTMP and Physical Stress Myocardial Perfusion Scan.

10000+
People benefitted from healthcare services

BALCO Medical Charitable Fund

A fund of ₹ 2,31,522 has been allocated for 17 patients to the community-initiated BALCO Medical Charitable Fund for diagnosis and treatment of uninsured patients.

Social and Relationship Capital

Health screenings and camps

We have also served in remote regions through camps, health talks, a mammography van, and diagnostic services, going above and beyond. Around 60 NRDA housekeeping personnel were screened for cervical and breast cancer prevalence using the following methods: doctor consultation, pap smear, USG breast and mammography. Nine health camps were held in Nandghars for the prevention, awareness, and diagnosis of 652 women, while six health talks were addressed to 533 people. Over 1295 individuals received assistance through 27 camps hosted in Chhattisgarh, Odisha and Madhya Pradesh.

Capacitating frontline workers

In collaboration with ICDS, we additionally trained more than 50 frontline workers from the Ambuja Foundation, SAKHI and state government Anganwadi workers and health workers (Mitanins) to raise awareness in villages and offer door-to-door services.

Sustainable livelihoods

Mor Jal Mor Maati

The project focuses on improving surface water management by employing existing resources, augmenting irrigation facilities, equipping farmers with the innovative farming techniques, and promoting multi-cropping to reduce the dependence on rainfall. It is also bringing farmers into the fold of Fishery, Goatry and Poultry, ensuring income generation throughout the year. The programme also institutionalises farming practises through the development of a business model through the Farmer Producer Organisation (FPO), Korba Krushak Unnayan Producer Company Limited (KKUPCL).

Our impact

2400+ farmers benefited	1.2-1.4X increase in production with SRI
32 villages and 1000+ acres of land under secured irrigation	30%- 60% average increase in income, 60% reduction in cost of cultivation with SRI
41 water structures created with a cumulative capacity of 25,000+ CuM	Input and output businesses established by the Farmer Producer Organisation (FPO)

Sustainable Agriculture practices

We identified farmers based on farm livelihood activities and then extended targeted support through capacity building, training, and initial input support in the form of seeds, manure, fencing, soil testing and periodic technical monitoring in the field.

- **Modern farming practices:** 800 farmers were trained in modern cropping methods. As a result, 70% of the total benefitted farmers adopted the latest agriculture techniques such as Systematic Rice Intensification (SRI), Trellis and Organic farming and so on. SRI helped farmers get 1.2-1.4 times increase in production, which led to an average increase in income of 30-60% and a 60% reduction in the cost of cultivation.
- **Climate resilient cropping:** We assisted 540 farmers with climate resilient cropping including Kodo and Ragi (Minor Millets), groundnuts, scented rice leading to 16% production increase. It is an innovation introduced in the regional landscape to reduce the dependency of farmers on rainfall and promote climate resilient farming.
- **Multi-cropping:** By boosting the water availability for irrigation, extending technical assistance and initial inputs, 449 farmers have begun harvesting the second crop in the rabi season, such as wheat, groundnuts, mustard, vegetables and so on.
- **Horticulture:** The wadi concept has been promoted in the waste lands of the project area to provide the farmers with a long-term agriculture investment. A total of seven wadis have been developed.
- **Lac cultivation:** Lac cultivation training and seed assistance have been offered to 330 farmers. This intervention has provided a platform for willing farmers to generate extra income.

Livelihood diversification with animal husbandry

We assisted 105 farmers in Goatry, Poultry and Fishery, resulting in greater income for marginal and landless farmers. Technical training and initial inputs such as chicks for Poultry, Goatry units (1 male and 4 female goats) for raising goats and fish seeds for fish farming are provided. Continued surveillance and assistance to construct their own Goatry and Poultry setup aided the farmers in diversifying their agricultural practices and raising their average income by ₹ 7,000.

Enhancing water security

- **Water harvesting structures** – We have built 21 water harvesting structures (farm and community ponds) and dug 20 wells with a capacity of 25000+ cubic metres. It has substantially improved water security and recharge while also facilitating multiple cropping in the region.
- **Soil bunding** – Nearly 200 farmers benefitted from the initiation of soil bunding. These bunds will also assist in increasing the water holding capacity of the fields during the kharif season, which bolsters soil moisture retention for the rabi season.
- **Drinking water system** - Drinking water facilities have been established at four locations through the installation of solar-powered pumps, which have benefitted over 240 families. The facilities have enhanced the availability of drinking water in these areas, which had been facing a scarcity of drinking water.

Social and Relationship Capital

Institutionalising farming practices

With over 800 members, the Farmer Producer Organisation (FPO) has begun input and output businesses, paving the way for sustenance and sustainable farming. The organisation was founded with the goal of assisting its farmer members through collective bargaining and economies of scale. The FPO-run Vedanta Agriculture Resource Centre (VARC) is a one-stop solution for all technical farming needs. During FY 2023, at VARC we introduced zero-energy cooling chambers for storing vegetables without refrigerators, as well as Azola, a unit for fish and goat feed.

Convergences

At BALCO, we have been successful in raising a total of ₹ 1.42 crore through various government schemes, including the Pradhan Mantri Krishi Sinchayee Yojana, the Rashtriya Krishi Vikas Yojana and the Chhattisgarh State Saur Sujla Scheme. We have also raised a sum of INR 1.41 crore through community contributions in activities such as the construction of farm ponds, digging wells, building Poultry and Goatry sheds, soil bunding, SRI and irrigation equipment, and so on.

Vedanta Skill School

To sustain its growth momentum, India's burgeoning economy requires a massive workforce, especially in rural India. In response we, at BALCO, in collaboration with the Social Empowerment and Economic Development Society, established three Vedanta Skill Schools in the Korba, Surguja and Kawardha regions of Chhattisgarh. We seek to impart free vocational training to rural youth, dropouts and the unemployed population, with a special focus on our operational areas and to match them with employment opportunities.

1007

Youth trained at 3 skilling centres, 59% females

76%

Youth placed and self-employed

18

Reputed organisations across 8 states

The Vedanta Skill School in Korba is the only skilling centre in Chhattisgarh to receive a five-star rating from the Skill Management and Accreditation of Training Centres (SMART) programme by the National Skill Development Co-operation (NSDC) under the Ministry of Skill Development and Employment of the Government of India and SSC (Sector Skill Council).

Youths trained and placed

1007 youths have been trained in trades viz. sewing machine operator, welder, fitter, hospitality and electrical, across three centres. 76% of the young people were placed in eight states in 18 reputed organisations, earning an average CTC of ₹ 12,000 to 18,000 every month.

Convergences

15 out of 28 batches were trained in convergence with government schemes, partnerships and private sponsorships through various schemes such as the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the Mukhya Mantri Kaushal Vikas Yojna (MMKVY), the National Bank for Agriculture and Rural Development (NABARD), the Skill India Impact Bond (SIIB), Generation India, the CSSDA (Chhattisgarh State Skill Development Authority), and so on.

Life skills development

Value-added lessons and modules on diverse topics, such as communication, computer skills, yoga, personality development, menstrual hygiene, legal rights, workplace ethics, time management and more, were offered. Mandatory fire and road safety training sessions were conducted to promote zero harm in the community (a total of 24 batches have been trained). We also celebrated World Youth Skill Day with a three-day celebration, including trade-specific competitions and Olympiads to encourage the healthy competitive spirit of students.

Empowering women for the holistic development of communities

To promote sustainability and foster the overall development of the community, BALCO is largely focusing on the upliftment of women, which will drive economic growth as well as enhance the quality of life. Women are encouraged to run grass-roots institutions for their socio-economic development.

Engaging self-help groups (SHGs)

Self-help groups (SHGs) play an important role in women's empowerment. We established 44 new SHGs (self-help groups), bringing the total to 504 SHGs with 5389 female members. Through regular meetings, bank linkages and linking them to government schemes, we are strengthening these 504 SHGs while offering numerous entrepreneurial prospects.

Strengthening SHGs with financial literacy

SHGs are being strengthened to empower women at financial, legal and socioeconomic levels through multiple rounds of capacity-building trainings on SHG functioning, financial and entrepreneurial development and legal rights training. So far, 425 SHGs have been trained on financial literacy and Financial Inclusion of 150 SHGs has been done. SHGs are being strengthened to empower women at various financial, legal, and socio-economic capacities.

Promotion of entrepreneurship through microenterprises

We established seven micro-enterprise units with a total of 12 products, including mural art, gonkra folk art, clay idols, Chattisa (a local cuisine), mushrooms and paper bags. Over 800 Women have been trained under these Micro Enterprises.

Showcasing and exhibitions

SHG women participated in a variety of forums, including national and international exhibitions such as 'The Art Fair,' the International Aluminium Conference in Jharsuguda and the Pali Mahotsav in Korba, where they displayed and sold products made by them.

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SHGs are going green

SHGs are engaged in creating eco-friendly products, such as the SHG group that developed eco-friendly Ganesh idols for Ganesh Chaturthi. These idols were precisely constructed from the soil from the Narmada River and the water from the Ganga, bringing sanctity to art. Other products made as part of our microenterprises included paper bags, cloth masks, oxy-degradable sanitary napkins, herbal gulals and so on.

Celebrated Unnati Utsav

On International Women's Day, the 'Unnati Utsav' was zestfully celebrated with 500+ community women, adolescent girls, and employees on the theme '#Embrace Equity'. Women participated in several community engagement and team-building activities, which united them all in a common aim of empowerment. Women also demonstrated their entrepreneurial skills by establishing food stalls with the message of empowerment being spread through art and cultural performances.13 zealous community members were recognised and felicitated who had contributed immensely to the development of the community in the areas of entrepreneurship, social change and community leadership for the benefit of all.

Project Unnati

500+
Self-help groups strengthened

5389
Women empowered

1800+
Women economically engaged

7
Microenterprise units established

Imparting quality education for a better tomorrow

The right to quality education is at the heart of our education programme. We are committed to providing quality education to children and improving their learning outcomes. By making quality education accessible we focus on the learning outcomes of children.

Project Connect

The project focuses on improving the learning environment in nearby government schools by creating an enabling learning environment with a focus on improving students' grades, building teachers' capacity and providing career counselling on subjects such as Science, English, Mathematics and Accountancy (SEMA) in government schools for 9th to 12th grade.

2500
Students benefitting in 6 government schools

Academic assistance

We extended our support through regular classes to more than 2000 students in six government schools and organised remedial classes at three resource centres on SEMA (Science, English, Mathematics and Accountancy) subjects for grades 9th to 12th. Our instructors conducted 4300+ regular classes extensively, working on the holistic development of students regularly. Additionally, over 2000 remedial classes to offer direct support to 150+ students from different communities on SEMA subjects were conducted along with doubt-solving sessions on a daily basis.

Career counselling sessions

A total of eight career counselling sessions were conducted with a special focus on 10th and 12th grade students at the intervention school to guide them towards making informed academic and career-oriented decisions.

Capacity-building for teachers

To build a more conducive environment, a two-day capacity-building training was organised for 17 teachers in six government schools. The teachers received training on innovative ways and methods of teaching such as 'experiential learning', working on multilingualism, leveraging the power of language and creating a platform for sharing ideas to enhance teaching pedagogy and practical-based models.

Science exhibition

With the objective of instilling learning through problem-solving skills, critical and innovative thinking and practical model-based learning in the students, a Science exhibition was organised. More than 150 students from grades 9th to 12th from six government schools participated and presented 17 science models.

Summer and winter camps

We organised a summer camp in two centres, covering 250+ students from the 10th standard of five government schools. Activities included art and craft, dance, music, calligraphy, spoken English, Vedic Mathematics, pottery, yoga, aerobics and model-based STEM learning.

A winter camp was also organised for students in grades 10th and 12th to gear their preparations for board examinations and career counselling sessions. A total of 268 students from six schools participated and strengthened their preparation by focusing on practice-based learning through daily worksheets and government model papers on SEMA (Science, English, Mathematics, Accountancy) subjects.

Strengthening infrastructure to support communities

Community assets creation

Infrastructure development in communities provides an opportunity to improve people's quality of life. Our intervention intends to bridge infrastructural gaps in the communities' socio-economic development by upgrading existing facilities. This year's efforts included the renovation of community stages and schools, the construction of borewells, the installation of solar pumps for drinking water availability and road construction, which cumulatively benefited over 7700 community members.

Safety

Promoting safety in communities

Around 52 safety trainings on road, fire and home safety were organised, reaching out to more than 1000 community members, school children and students at the Vedanta Skill Schools.

Created master trainers on safety

We trained 16 master trainers from our partner team on safety with the objective of fostering a zero-harm culture in the communities where we operate. As a result of our initiatives, these master trainers are now conducting additional sessions on safety in the communities.

Social and Relationship Capital

Installation of safety signage

29 traffic signs have been placed from Bajrang Chowk to Ambedkar Stadium as part of the team's ongoing efforts to enhance road safety for both drivers and pedestrians. The road safety-related signs have been put up in various, strategic places to raise awareness among drivers and walkers alike.

Employee volunteering

At BALCO, the socio-economic development of our communities is of paramount importance. We are dedicated to empowering our local communities and establishing a connect between community members and employees to build a relationship based on 'trust'. Our employee engagement initiatives help us build enduring relationships with our communities. During the year, 500+ employees volunteered and contributed over 160+ manhours:

Mentoring - Around 30 employees volunteered under the project Connect for conducting remedial classes on Science, English, Mathematics and Accountancy in evening resource centres and becoming 'Science Mitras' to mentor 150+ students from government schools to make science models for science exhibition.

Wish Tree initiative - To celebrate the Christmas and New Year spirit, 253 employees volunteered to fulfil 400+ wishes collected from children in distant villages and schools for the specially abled.

Value-added modules - So far, 22 employees offered soft skills trainings to Vedanta Skill School students on topics such as communication, 5S and workplace management, team building, Microsoft PowerPoint and so on. Other projects, such as Har Kadam Hum Sath, also provided mentoring and assistance to MHM adolescent groups.

Blood donation drive - Around 224 employees volunteered for a noble cause by participating in the blood donation drive. The effort was recognised by the Chhattisgarh Government for the highest single-day blood donations in the district.

Let's Do Ropai - A total of 35 employees joined hands alongside farmers for sowing paddy seeds during the farming season in neighbouring villages under the Mor Jal Mor Maati project. The effort deepened their commitment to 'No Food Wastage'.

Rejuvenation drive- Employees on Biodiversity week led the way for community pond restoration and on World Water Day participated in check dam de-siltation drive with community volunteers for enhancing the water holding capacity leading to better irrigation of crops for nearby farmers.

Valuing our stakeholders

Supply chain partners

We believe in nurturing enduring relationships with our supply partners. To accomplish this, we finalise three to five years of end-to-end KPI-linked contracts with the right management in place to enhance the output reliability of our plants. In terms of MRO procurement, the purpose is to secure a vendor with an annual rate contract driven by need-based delivery orders. This safeguards us against a sudden spike in raw material prices. This has also led to fewer transactions, which is in line with our collective objective of optimising our transactions with business partners and commercial transactions.

We are proactively engaging with our local supply partners to support local procurement processes.

80%

Of the service contracts are sourced locally

By supporting local businesses, we have reduced transportation expenses and the environmental footprint for both ourselves and our supply chain partners. Lowering transport costs has a direct impact as it not only minimises the environmental impact but is also economically advantageous.

Integration of ESG into the supply chain

- Aiming towards increasing local procurement
- Focusing on reducing and recycling the packing materials that are involved in our supply chain
- Engaging with environmentally responsible suppliers – Our major raw material suppliers adhere to ISO 14001. We are also conducting periodic visits to their workplace for further evaluation
- Promoting 'Green' considerations to play a more prominent role in evaluation criteria, performance reviews, and prior performance assessments
- Developing and training the workforce on the sourcing of green products and services
- Increasing the load ability in transportation to reduce carbon emissions
- Making it a necessity for our service vendors to comply with the sustainability requirements according to SSL guidelines.

Customers

We have an integrated team at BALCO that is dedicated to ensuring the highest level of customer satisfaction by addressing all client complaints as soon as they occur. For this, we have also developed a digital platform where customers can lodge their complaints without any hazards or complications. From that portal, the trigger email is circulated to the appropriate team, which investigates the root cause of the concern and takes the necessary actions to resolve the concerns as soon as possible.

Moreover, we focus on delivering premium-quality products to our customers. With our expansive distribution network, we offer the fastest delivery possible by installing a system of GPS tracking in all our vehicles to prevent transit damage and delivery delays. We frequently interact with our customers, both physically and virtually, to ensure that their demands are met. We have a high client retention rate, which is achieved through regular client feedback and immediate action to improve the feedback.

Community

At BALCO, we are cognizant of the fact that it is our fundamental responsibility to implement well-thought-out and targeted initiatives regularly to address community grievances, especially those pertaining to our operations. We have a robust grievance redressal cell that is centred on the values of transparency, fairness, openness, accessibility, and cultural appropriateness. This mechanism helps us understand how people are reacting to our operations. To further enhance this mechanism, we have Community Liasion Officer at each unit along with Social Performance Steering Committees to address these concerns.

Members of the communities can voice their concerns over the phone, in person with relevant individuals, or in writing. This is followed by a robust and continuous feedback and feed-forward system for programme improvement through participation in village-level meetings. Members of the communities can register their opinions, ideas, concerns, and requests at the grievance cell.

Social and Relationship Capital

Impacting Lives

The story of Sarita Kanwar, a farmer

Sarita Kanwar, a 24-year-old young farmer, is transforming the face of agriculture in Bhulsidhi, a small village inhabited by native tribes, by using modern agricultural practices. Sarita's family has been farming in traditional and pragmatic ways for many years. The situation deteriorated as the climate took its toll, with recurrent low rainfalls in the region causing farmers to lose their livelihoods throughout the course of the year. The social construct that kept communities unaware of women's contributions to farming, commonly referred to as 'disguised labour,' was not acceptable to Sarita. In her quest to transform her future and be recognised and respected as a 'Farmer,' she became a modern farming role model in her village, Bhulsidhi.

BALCO, through its project Mor Jal Mor Maati, trained her on modern agricultural practices of rice cultivation such as SRI (Systematic Rice Intensification Technique). The farmers had already tasted crop failure due to poor rainfall twice in the same season and were no longer willing to take the risk of changing their long-trusted farming practices. Sarita stepped forward to be the change; she decided to follow the modern practice of SRI in place of the traditional broadcasting method of sowing seeds. Change was neither easy nor acceptable to her in-laws; they often fought with her and showed no support. Her family had already warned her, 'If this technique fails, you might have to work as a labourer to bear the losses.' Sarita's fears were soon converted to trust as BALCO stood by the best of agricultural practices.

When it was time to reap her production, Sarita was not sure of her family would uphold her decision and accept that she could lead the farm. Her production rose from 11 quintals to 14 quintals and the family was astounded. The risk had finally paid off for Sarita. Her family accepted and applauded her decision. As word of her success spread in Bhulsidhi and back home at Raigarh, Sarita became a role model for all female farmers. With support from BALCO, she now replicates modern agricultural practices, starting with her family and spreading to the entire village. Her journey from being disguised as a labourer on the farms to being a shining female farmer has transformed the lives of many farmers in Bhulsidhi today.

The story of Preeti Mahant: changing lives through skill development

21-year-old Preeti Mahant belongs to a small family of four, with her father being a farmer and her mother a daily wage labourer. Preeti's life was still going well until her family was confronted with unforeseen challenges. Her brother developed epilepsy and her father soon became paralysed. Preeti's life had taken a tragic turn and her family's survival now depended on her. Preeti has a never say die spirit. As BALCO held her hand, she finished her training in the 'Food and beverages' trade at Vedanta Skill School and was placed at Aaranyam Restaurant in Raipur. She is now earning INR 12,000 monthly in CTC. She supports her family and takes care of all their needs. Despite the challenges, she never gave up; she continued to work diligently for her family. Vedanta Skill School is assisting many young people like Preeti in building their futures while sustaining innumerable families. Preeti today stands to be a prime example of empowerment.

The story of Kunal Farrey: a journey towards a healthy future

Kunal was identified as a SAM (Severe Acute Malnutrition) child and his weight was reported as 8.7 kg in May 2022 during the health screenings conducted under project Arogya. Kunal's mother, Mamta had sought extensive medical treatment; however, his condition did not improve. She switched doctors, but nothing seemed to work for the child's health.

BALCO, through its initiative Arogya, counselled her and her family on how to enhance their caring and cooking practices. Initially, she was supported through kitchen garden to ensure that nutritional food was available and offered to the child. Mamta was encouraged to participate in THR training she learned multiple nutritious recipes made from THR that could help improve her child's health. She had never used the THR in the manner in which she had learned during the THR training session. Kunal, her kid, loves eating laddu, protein powder and other THR-based meals. Kunal's health improved as a result of this shift in eating habits. He transitioned from SAM to MAM (8.7 kg to 9.3 kg) in July. Regular home visits and team support also ensured that appropriate health habits were adopted and implemented consistently.

Mamta enrolled her child for the PDH session in September. Kunal gained another 600 grams during the 12-day session. (Day 1: 10.2 to 10.8 kg). Mamta's ability to adopt positive childcare and feeding practises was ensured during post-PDH follow-up visits. After 45 days of PDH, the child has reached the standard stage and continues to gain good health. The child is able to sustain the weight gain. Mamta uses THR and PDH recipes to provide constant care for her child; they are now common in her kitchen. Mamta is grateful to the project team for helping her bring about a positive change in Kunal's health. Mamta is now actively sharing her knowledge with other parents in the neighbourhood, and she has become a changemaker and an inspiration for fellow mothers in her community.

CSR Award & Accolades

Socio Corp CSR Film Festival & Awards- Best Healthcare Excellence CSR Film – **"Sarika Dondro ki Nayi Kiran"**

Appreciation Plaque by FICCI CSR Awards as **"Socially Responsible Company"** for Mor Jal Mor Maati Project

5th Edition ICC Social Impact Awards for 'Employment Enhancing Vocational Skills' for **"Vedanta Skill School"**

SABERA in **"Health, Nutrition & Wellbeing"** for Community Health Initiatives

Third India MHM Summit- **Best CSR Initiative on MHM Award** for Nayi Kiran Project

Recognition by Chhattisgarh Govt for commendable **work in HIV awareness & prevention**.

Mahatma Award-CSR Excellence

Recognition by Chhattisgarh Govt for **highest single day blood donations** at District.

NATURAL CAPITAL

At BALCO, we are cognizant of the impact of our business on the environment. We are conscious of our ecological footprint and are working relentlessly to optimise the use of the natural resources, restrict emissions and encourage circular economy.

We have scaled up our efforts to reduce our carbon footprint by employing renewable energy in our operations, using water responsibly, effectively disposing of waste, and conserving biodiversity to create value sustainably.

ISO 14001
Certified

ISO 14064
Certified

ISO 50001:2011
Certified

Climate change commitments

As a Vedanta company, we have are committed to adapt and mitigate climate change.

Net Zero Carbon by 2050 or sooner.	Decarbonise 100% of our Light Motor Vehicle (LMV) fleet by 2030 and 75% of our mining fleet by 2035.
Use 2.5 GW of Round-The-Clock RE and reduce absolute emissions by 25% by 2030 from 2021 baseline.	Accelerate adoption of hydrogen as fuel and seek to diversify into H2 fuel or related businesses.
Aim to spend USD 5 billion over the next 10 years to accelerate transition to Net-Zero	Work with our long-term, tier 1 suppliers to submit their GHG reduction strategies by 2025 and align with our commitments by 2030.
Use 2.5 GW of Round-The-Clock RE and reduce absolute emissions by 25% by 2030 from 2021 baseline.	Disclose our performance in alignment with TCFD requirements
No additional coal-based thermal power and coal- based power till end of power plants life.	Help communities adapt to the impacts of climate change through our social impact/CSR programmes.

Net zero 2050 commitment

To combat climate change, we have moved away from traditional energy sources by using renewable energy in our operations. In FY2023, 546.29 MU of renewable energy was procured and we intend to grow our renewable energy procurement till 2030. This will significantly reduce our GHG emission.

We have also replaced heavy furnace oil in power plants and metal production regions with more eco-friendly fuels. We are also integrating biomass co-firing with coal, which decreases coal usage, thereby reducing greenhouse gas emissions.

We are under the trial phase to use bio-diesel in our production process to run our utility vehicles. The mobility of two-wheelers within the premises is also now limited, reducing Scope 3 emissions significantly.

Maintaining ambient air quality

- Electrostatic precipitators (ESP) with 99.9% efficiency have been deployed to manage emissions. Pollutant parameters are monitored on a regular basis, and frequent reports are sent to regulatory bodies.
- The smelters are fitted with fume treatment plant to ensure lowering of dust levels and keep the emissions within the permissible limits.
- Stacks of BALCO are fitted with a Continuous Emission Monitoring System and is connected with CPCB and State Pollution Control Board.
- The roads and coal handling plant are continuously sprinkled with water to suppress any dust and ensure no fugitive dust re-suspension.

EV policy

Our organisation has taken a significant initiative to combat emissions by committing to decarbonise 100% of our light motor vehicles by 2030. As part of this commitment, we are implementing a radical change to our Company Car Policy, which will impact all employees. The new policy includes higher slabs for purchasing conventional vehicles and Vehicle Maintenance Allowance (VMA), along with a market-leading Electric Vehicle (EV) element.

By implementing these changes, we aim to motivate all our employees to embrace sustainable transportation and integrate sustainability into their daily commutes.

Do you know

The Perform Achieve and Trade (PAT) mechanism is a way to speed up and encourage energy efficiency in the market. It focuses on energy-intensive industries and large facilities. Under PAT, energy savings are certified and can be traded as Energy Saving Certificates (ESCERTS), making it more cost-effective to improve energy efficiency.

Natural Capital

Bharat Aluminium Company Ltd. is recognised as a top performer designated consumer in the aluminium sector for PAT Cycle-II under the National Mission for Enhanced Energy Efficiency

Initiatives taken during FY 2023 to reduce carbon footprint

BALCO signed RTC power purchase agreement of
200 MW
of renewable energy

Usage of
bio-diesel
instead of petrol and diesel in tecnological vehicles and ladle cleaning process

546.29 MU
of renewable power purchased

98%
graphitisation in potline to produce aluminium

4,754 MT
of biomass co-firing

Received
PAT Cycle award
for being the top performer for PAT Cycle 2 (robust improvement towards energy efficiency)

We have implemented innovative pre-bake equipment to minimise fugitive and stack emissions from our aluminium smelter in order to decrease air pollution. Dust extraction and dust suppression systems have been installed to help with this.

Internal Carbon Pricing

As an important lever of the decarbonisation process, we plan to adopt Internal Carbon Price mechanism from FY24 onwards for all business' operations and all the major upcoming expansion projects based on the criteria defined in this SOP. We want to implement shadow pricing during the evaluation of new projects to drive low carbon project choices; thereby ensuring carbon risks are considered during the project evaluation stage.

Life Cycle Assessment

We have conducted gate-to-gate life cycle assessment as of now. Later we are also planning to conduct

cradle to gate analysis. The objective of the LCA is to provide life cycle based environmental information based on gate-to-gate system boundary for aluminium production to identify environmental hot-spots and develop strategic environmental decision-making focusing on climate change. The LCA is carried out in accordance with the ISO standards on LCA: ISO 14040 (2006) and ISO 14044 (2006).

Managing waste efficiently

Hazardous waste

We are highly committed to creating an effecient waste management system since the aluminium and power sectors create hazardous waste throughout the manufacturing process that can cause serious environmental harm if not managed properly and in accordance with government rules. As a result, we manage our waste through proper waste storage, transportation and disposal.

'Manifest forms' are created with respect to each vehicle for appropriate transportation of hazardous waste to licenced recyclers or re-processors, ensuring total security. Waste is disposed of responsibly by incineration in designated sites such as licenced guarded landfills and closed sheds.

The graphitisation technique reduces SPL generation, a hazardous waste, while also increasing the pot life utilised in aluminium manufacturing.

Aluminium Dross processing and metal recover through an unique technology for sustainable use of a hazaradous waste is example of a Circular Economy adopted through partnering with Runaya.

Non-hazardous waste

Our non-hazardous wastes consist of metal scraps, PVC scraps and plastic scraps which are melted and reprocessed to ensure reuse along with the wooden waste. The CP coke wastes are used to make electrode paste. This ascertains that 100% of our non-hazardous wastes are recycled within the plant to ensure sustainability of the environment.

Ash disposal system

We have implemented a High Concentration Slurry Disposal (HCSD) disposal system. Treated waste water is used to create ash slurry, which is then disposed of in ash dykes. More than 100% of the fly ash is used in various applications such as road building, cement industries, brick making and so on.

Optimum utilisation of fly ash is ensured along with ensuring lower ash content in coal.

Waste management audits

We conduct regular waste management audits to ensure and monitor the effectiveness of our waste utilisation.

SLRM Centre

BALCO has an advanced Solid Liquid Resource Management Centre (SLRM) at the forefront of waste management technology. This centre is fully equipped to handle approximately 5 tonnes of mixed municipal waste, demonstrating its impressive capacity.

The SLRM centre comprises various essential components, including a segregation area, a Composting System comprising a Composter and Pit system, a Plastic and paper recycling machine.

By incorporating cutting-edge practices and adopting a well-thought-out design, the SLRM centre is an end-to-end waste disposal solution. It effectively manages the entire waste lifecycle, from initial collection to final treatment and disposal. By minimising waste generation within its premises, BALCO significantly reduces its environmental impact and sets a commendable example for sustainable waste management.

The entire waste management process at the SLRM centre is characterised by a well-defined workflow, from waste collection and sorting to processing and treatment. This systematic approach ensures that each type of waste is managed appropriately, maximising the potential for resource recovery and minimising the overall environmental impact.

From FY 2023 onwards, BALCO has banned all single-use plastic bottles and plates within the plant premises. It has been replaced with glass bottles and paper plates.

Conserving water

Water positivity by 2030

BALCO is actively trying to reduce water usage and recycle waste water to contribute to its larger mission of water conservation. Our plants are built in such a way that no liquid waste is discharged into water bodies from our plants.

4 Million m^3

Of fresh water consumption was reduced in FY 2023

Moreover, water utilised for industrial and domestic purposes is recycled. The wastewater is collected through covered drains and pipelines and then treated at ETP, a RO-based system. The treated water is then reused for horticulture and sprinkling.

10.76%

of water has been recycled in FY 2023

To reduce water pollution, reverse osmosis is done to treat the wastewater prior to recycling it in the raw water reservoir. We also have our sewage treatment plant that treats domestic sewage from our plants. The treated water is used in greenbelt development and dust suppression.

We also check ground and surface water levels on a regular basis and notify regulatory authorities as needed. Oil-based effluent from oil spills is collected in separate tanks equipped with skimmers. The skimmed waste oil from the plants is returned to the oil storage tank and the oil-free wastewater is sent to the ETP for further treatment. Presently we do not fall under the water stressed areas.

Initiatives to mitigate water scarcity risk

1) We undertake periodic water-risk management for a better planning on water management.
2) We avoid polluting water by applying zero discharge philosophy and treat all wastewater by adhering to good international practice before discharging to the environment.
3) We work with communities and inform our stakeholders regarding the progress and performance of water conservation and management.
4) We undertake a proper estimation of water footprint for all our projects and accordingly maintain a water-balance that minimises freshwater utilisation.
5) We reduce water consumption through proper recycling.

Optimising energy consumption

We are taking steps to decrease our energy use across all our businesses to reduce our carbon impact. We are implementing numerous approaches and procedures that are yielding significant results and assisting us in being more energy efficient. We are primarily sourcing and inclining towards renewable energy usage, with intentions to expand our renewable energy procurement rate in the future.

During FY 2023, BALCO has taken active measures to optimise its energy consumption in its Smelter operation as follows:

Initiatives	Impact
100% graphitised pots installation and normalisation	**12,24,669** kWh savings
Reduced Sp. Aux consumption by **15kWh/MT**	**16461767** kWh savings
Replaced **50 LED** fittings of 400W with 200W	**43,000** kWh savings
Replaced **70 LED** lights of 125W with 40W	**24,000** kWh savings
Replaced **180 conventional lights** of 400W with 200W LED lights.	**8,40,000** kWh savings
Stopped the operation of **hot well pump at cooling tower** of anode rodding plant	**1,12,000** kWh savings
Replaced preheater screw from **30TPH to 35TPH** to increase throughput	**1,80,000** kWh savings
Replaced **HTM heater** to optimise heater set point from **250 deg. cent to 240 deg. cent**	**72,000** kWh savings

Conserving bio-diversity

It is our responsibility to use natural and precious resources optimally for the benefit of future generations. Despite being into manufacturing, we are committed to lowering our carbon footprint through various measures. Through our sapling plantation project, we are contributing to biodiversity conservation. We successfully restored and stabilised ash dykes by planting over 1 lakh trees.

Biodiversity policy and commitment

- Prevent and mitigate bio-diversity risks throughout our business operations.
- To operate on the principles of no net loss while operating in ecologically sensitive areas.
- Compliance to local, regional and national legislative requirements and applicable international conventions on land management degradation, ecological restoration and biodiversity conservation management.
- Identify and access the biodiversity risk status and value, before initiating new projects and constant monitoring of the impact over the project life.
- Identify risks related to priority ecosystem services.
- Ensure conservation of threatened, rare and endemic species through habitat enhancement initiatives.
- Raising awareness among stakeholders.
- Continuous improvements in biodiversity through performance indicators.
- 'Nature-based solutions' approach in business decision making.

Biodiversity CoP

- No net loss
- Integration of BMP in business plan
- Mitigation of biodiversity risk through business operations
- Support local regional and global conservation plans
- Raise biodiversity awareness among stakeholders
- Regulatory compliance
- Monitoring and review
- Identify and assess biodiversity status and value before start of a new project

1,23,562

Saplings planted in FY 2023, making a total of more than 8 lakh saplings

Making Birthdays Greener

At BALCO, we believe in promoting sustainability across the organization to align ourselves to global targets. Towards developing a culture of close adherence to environmentally aligned practices, we are encouraging our workforce to proactively adopt an eco-friendly lifestyle. In sync with this, we have introduced various initiatives in the past quarter like carpooling among employees, organizing regular awareness sessions for the schools in its vicinity and switching to green consumerism.

Under the above notion, BALCO has also launched a novel initiative 'Making Birthdays Greener', under which employees are invited to plant a fruit sapling on the eve of their birthday. The objective behind this initiative is to demonstrate ways to make important celebrations more environmentally friendly. The resulting orchard born out of the sapling planting initiative will also serve as an inspiration for future generations to do their own bit for the planet.

Environmental violation

BALCO has not violated the environmental regulatory policies in the last 4 years and is focused to sincerely contribute to the protection of the natural resources in the upcoming years as well.

Climate change risk

We have conducted climate change risk assessment for our sites. This study was conducted for BALCO between the time period 2020-2060, by estimating the degree, and financial impact of those risks especially physical and transition risks.

Physical risks

BALCO has employed scenario analysis techniques, utilising location-specific data and tools like the World Bank Climate Change Knowledge Portal (CCKP), World Resource Institute (WRI), National Oceanic and Atmospheric Administration (NOAA), and International Best Track Archive for Climate Stewardship (IBTrACS). These resources enable us to examine historical trends and project future climate-related risks in terms of extreme weather events such as droughts, floods and cyclones, as well as long-term physical changes like rising temperatures and sea levels and alterations in precipitation levels. By focusing on Representative Concentration Pathways (RCP), particularly RCP 4.5 and RCP 8.5, we aim to comprehend the potential effects of climate change on temperature and rainfall patterns across our operational units.

Transition Risks

Industries with high greenhouse gas (GHG) emissions are likely to face various transition risks as the global momentum for decarbonisation intensifies. These risks encompass policy and regulatory changes, legal implications, technological advancements, market shifts and reputational challenges. To proactively address these risks and adapt to evolving market trends and policies, we conducted a transition risk scenario analysis aligned with the Network for Greening the Financial System (NGFS) framework.

Our analysis was based on the International Energy Agency's (IEA) Beyond 2 Degrees Celsius (B2DS) and Net Zero 2050 scenarios. These scenarios provided the foundation for developing appropriate strategies in the transition towards a low-carbon economy. We utilised the NGFS framework, which consists of five scenarios-

- The Current Policies Scenario
- Nationally Determined Contributions (NDCs) Scenario
- Below 2°C Scenario
- Net Zero 2050 Scenario
- Delayed Transition Scenario

To generate the transition pathways for these NGFS scenarios, we employed a well-established integrated assessment model. These pathways were created by considering key design choices such as long-term temperature targets, net-zero targets, short-term policy measures, overall policy coordination and technology availability. By incorporating these factors into our analysis, we aimed to provide comprehensive insights into the potential risks and opportunities associated with the transition towards a low-carbon economy.

Drought

Potential impacts	Measures	Action undertaken
Extreme water crises which may disrupt the plant operations and lead to a shortage of drinking water.	• Regular study of water positivity • Usage of Sewage Treatment Plant water for landscaping and recycling • Rainwater harvesting to increase groundwater level • Integrated watershed management	• Dedicated crisis management by an internal team • Regular monitoring and assessment • More water harvesting structures are to be constructed • Water storage capacity to be enhanced • Groundwater recharge to increase the storage of water.

High temperature

Potential impacts	Measures	Action undertaken
Fluctuating temperatures are having a detrimental effect on both our plant life and the efficiency of our staff. The occurrence of severe weather conditions has the potential to cause significant damage to our transmission lines, resulting in power outages.	• Enhancement of cool air • Improved ventilation • Air conditioning • Sufficient power storage	• Plantation of trees inside premises to lower the temperature • Eye shower provided at various shop floor across 65 locations to ensure well-being of the workers • To maintain ambient air temperature, existing structures have been retrofitted for better cross ventilation • Rest room with air conditioners were arranged for high temperature areas. • Heat stress training provided to employees.

Certifications

ISO 9001:2015
Quality management system

IATF 16949
Quality management system for the automotive industry

ISO 17025:2017
NABL accredited lab

ISO/IEC 27000:2013
Information security management system (ISMS)

ISO 14064:2018
Greenhouse gas certification

OHSAS 45001:2018
Occupational health and safety management system

ISO 50001:2018
Energy management system

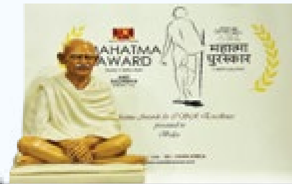
ISO 14001:2015
Environment management system

ISO 55001:2014
Asset Management System

Awards and Recognition

Arogya Healthy Workplace 2022

Super Gold Award on Quality Concepts and First Prize in Knowledge Competition by CCQC-2022



Mahatma Awards for CSR Excellance

National Energy leader award- CII

CEE Environmental Excellence Award 2022 for Fly Ash Utilisation/Disposal

Sustainable Factory of the year award by Frost & Sullivan & TERI

PRSI National Awards -2022 for best public awareness program

Global Safety Awards 2023 for practicing excellent zero road accidents- evolving safe work practices in operations

Great Place to Work

IMC Ramkrishna Bajaj National Quality Award for Performance Excellence

Titan Awards for Best Employee Engagement Strategy

W.E. Matter Global Employees' Choice Award

Awards and Recognition

5th ICC Social Impact Awards 2023 for Employment Enhancing Vocational Skills

Global Road Safety Award 2023

The Happiest Workplaces Award 2022

Certified as Silver through CII GreenCo assessment

Manufacturing Today Award in the category -Reinventing the Future 2022

BALCO Recognized as Top Performer Designated Consumer for Aluminium sector of PAT Cycle II

Profile of Board of Directors

Mr. S. K. Roongta
Chairman & Independent Director

Mr. Sushil Kumar Roongta has been a Board member of the Company since January 31, 2012, and has held the position of Chairman since October 17, 2014. He obtained his BE degree in Electrical Engineering from BITS Pilani and achieved a gold medal in PGDBM (International Trade) from IIFT, New Delhi. Additionally, he is a respected member of the All India Management Association. Mr. Roongta holds significant roles in several prominent chambers, including serving as a Member of the National Executive Committee of FICCI and the National Council of ASSOCHAM. He also acts as a Jury Member for esteemed awards such as the Lakshmipat Singhania - IIM Lucknow Leadership Awards, BML Munjal Awards for excellence in learning and development, ICWAI National Awards for Excellence in Cost Management, and AIMA Awards. Throughout his career, he has been honored with various accolades, including the SCOPE gold awards for Excellence & Outstanding Contribution to the Public Sector Management - Individual Category from 2007 to 2008. Furthermore, he is the Chairman of the Corporate Social Responsibility and a member of the Audit Committee and the Nomination & Remuneration Committee of the Board.

Mr. Rajesh Kumar
CEO & Whole Time Director

On the 15th of February 2023, Bharat Aluminium Company Limited welcomed Mr. Rajesh Kumar as its new CEO and Whole Time Director. With an impressive track record spanning 36 years, Mr. Rajesh Kumar has gained extensive expertise in various areas such as operations, maintenance, project implementation, and productivity enhancement during his tenure at Tata Steel's Indian and Thai units. Throughout his career, he has successfully managed profit centres, manufacturing operations, total quality management, industrial safety, production and quality improvement, project engineering, digitisation, logistics, human resource development, financial analysis, leadership, and strategy. Mr. Rajesh Kumar's educational background includes a bachelor's degree in Mechanical Engineering (B. Tech) from Banaras Hindu University (IIT BHU), and he achieved the prestigious distinction of being a gold medallist in finance during his master's in business administration (MBA) at XLRI, Jamshedpur.

Mr. Tarun Jain
Director

Since March 2, 2001, Mr. Tarun Jain has served on the Board of the Company. He holds positions on the Audit Committee and Finance Standing Committee of the Company. With a professional background spanning over 40 years, Mr. Jain possesses expertise in corporate finance, audit and accounting, tax and secretarial practices, as well as strategic financial matters like corporate strategy, business development, and mergers and acquisitions.

Mr. Jain is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Additionally, he holds a Graduate degree from the Institute of Cost and Works Accountants of India. Apart from his involvement in the Company's Board, he also serves on the boards of Vedanta Medical Research Foundation, AART Ventures Pvt. Ltd., and AART Corporate Advisors Pvt. Ltd. Previously, he held positions on the boards of Vedanta Limited, Hindustan Zinc Limited, and MALCO Energy Limited.

Profile of Board of Directors

Mr. D.D. Jalan
Independent Director

Mr. D.D. Jalan, a seasoned Chartered Accountant with an extensive experience spanning over 45 years, possesses a wealth of knowledge in various areas including financial management, corporate negotiations, financial control, business planning, due diligence, business development, treasury operations, capital raising, business structuring, investor relations, commercial affairs, taxation, personnel development, and strategic planning. Currently, Mr. D.D. Jalan is actively engaged in entrepreneurial pursuits, dedicating his efforts to fostering start-ups through an angel network. Additionally, he serves as an Independent Director on several distinguished Boards. In his previous capacity, he held the esteemed position of Group Chief Financial Officer at Vedanta Resources Plc and served as an Executive Director and CFO at Vedanta Ltd until his retirement in September 2016. Currently, Mr. D.D. Jalan assumes the role of Chairman for both the Audit Committee and the Nomination & Remuneration Committee of the Board of the Company.

Dr. Anoop Kumar Mittal
Independent Director

Dr. Anoop Kumar Mittal has been serving as an Independent Director on the board of the Company since October 2022. With an impressive career spanning over 40 years, Dr. Mittal holds a prominent position among India's leading civil engineers. His expertise encompasses various fields such as Civil Engineering, Consultancy, Real Estate Development, Merger and Acquisitions, and Project Management.

During his tenure as Chairman-cum-Managing Director (CMD) of NBCC (India) Ltd., a crucial engineering entity under the Ministry of Housing and Urban Affairs (MoHUA) of the Government of India, Dr. Mittal played a pivotal role in spearheading its operations from 2013 to March 2019. He has also held board memberships in prestigious companies such as Welspun Enterprises Limited, Berger Paints India Limited, and was appointed to the board of Unitech Limited by the Government of India and the Hon'ble Supreme Court of India.

Dr. Mittal's educational journey began in 1978 when he pursued a Bachelor's degree in Civil Engineering from Thapar Institute of Engineering and Technology in Punjab. In recognition of his significant contributions to the fields of civil and construction engineering, he was bestowed with the honorary title of Doctor of Philosophy (Honoris Causa) by Singhania University, Rajasthan, in 2013.

Ms. Farida Mahmood Naik
Government Nominee Director

In November 2022, Ms. Farida M Naik joined the Board. Having completed her Psychology degree at Sophia College, Mumbai, she is an esteemed alumna of the institution. Presently, Ms. Naik holds the position of Joint Secretary in the Ministry of Mines, Government of India. Throughout her career, she has held diverse roles within various ministries and departments of the Central Government. Notably, she has served as the Joint Director of the National Book Trust and as a Director in the Ministry of Mines. In addition to her current role, Ms. Naik also serves as a Director on the boards of Hindustan Zinc Limited and Bharat Gold Mines Limited.

Ms. Nirupama Kotru
Government Nominee Director

On 4th August 2021, Ms. Nirupama Kotru, an officer of the Indian Revenue Service (Income Tax) from the 1992 batch, was appointed as the government nominee Director in BALCO. She also holds a position on the Board of Hindustan Zinc Limited. Ms. Kotru has a diverse background, having obtained a BA in Economics (Hons.) from St. Stephen's College, Delhi University, and an MA in Politics & International Relations from the School of International Studies, Jawaharlal Nehru University, Delhi. Throughout her career, she has served in various assignments within the Income Tax Department in Mumbai, Chennai, Delhi, and Pune. Notably, she played a key role in establishing the International Taxation Directorate of the Income Tax Department and successfully administered the MCA21 corporate filing system as Director (E Governance) in the Ministry of Corporate Affairs. Furthermore, she contributed significantly to the establishment of the Indian Institute of Corporate Affairs at Manesar. In her role as Director (Films) in the Ministry of Information & Broadcasting, she oversaw the administration of media units such as NFDC, Films Division, National Film Archive, and the Directorate of Film Festivals, in addition to handling all policy matters related to films. Recently, she served as Joint Secretary in the Ministry of Culture, Government of India. Ms. Kotru brings extensive expertise in administration and taxation, gained from her diverse experiences in various fields.

Mr. Sanjeev Verma
Government Nominee Director

Mr. Sanjeev Verma, a 2003-batch officer of the Indian Railway Stores Service (IRSS), joined the company's Board on December 26, 2022. He has been serving as a Director in the Ministry of Mines since February 2019. With a Bachelor's degree in civil engineering from MINT, Jaipur, he is well-versed in procurement of goods and services for various users of the Indian Railways. Furthermore, he has undergone training for the Management Development Programme. In his current role as Director in the Ministry of Mines, Mr. Verma is responsible for overseeing matters concerning mine auctions, mineral concessions, the utilisation of DMF and the implementation of the PMKKKY scheme. Adding to his roles, he also serves as a Director on the Board of Hindustan Copper Limited since August 2020.

NOTICE OF THE 57TH ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting ("AGM") of the Members of Bharat Aluminium Company Limited will be held through Video Conferencing ("VC") or any Other Audio-Visual Mode ("OAVM") on Tuesday 27th June 2023 at 3:30 P.M. to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March 2023 and the Report of the Board of Directors' and Auditor's thereon and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** the audited financial statement of the Company for the financial year ended 31st March 2023 and together with reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby received, considered and adopted."

2. To appoint a director in place of Mr. Tarun Jain (DIN: 00006843), Director, who retires by rotation and being eligible offers himself for re-appointment and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

   "**RESOLVED THAT** Mr. Tarun Jain (DIN: 00006843), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company whose office shall be liable to retirement by rotation".

AS SPECIAL BUSINESS:

3. To ratify the remuneration of Cost Auditors for the financial year ending 31st March 2024 & in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. R J Goel & Co. (Firm Registration No. 000026), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, amounting to ₹ 2,50,000 (Rupees Two Lakhs Fifty Thousand Only) as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified.

   RESOLVED FURTHER THAT Company Secretary/ Chief Financial Officer/ Whole-time Director be and is hereby authorized to do all acts, deeds, matters and things including but not limited to the filing of necessary forms, returns etc. with Registrar of Companies and other authorities, if any, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

4. Appointment of Mr. Rajesh Kumar (DIN-09586370) as a Director of the Company and to Consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "**RESOLVE THAT** pursuant to the provision of Section 152, and other applicable provisions, if any of the Companies Act, 2013 and the rules framed hereunder, as amended from time to time and on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Rajesh Kumar (DIN-09586370) who was appointed as an additional director of the company with effect from 15th February 2023, and who holds office as such up to the date of this Annual General Meeting, and who being eligible offers himself for re-appointment and has consented in writing to act as a director of the company, be and is hereby appointed as Director of the Company.

   RESOLVED FURTHER THAT Company Secretary of the Company, be and is hereby authorised to file relevant forms with the Registrar of companies and to do all such other acts, deeds and things as may be considered necessary in connection with the above appointment".

5. Appointment of Mr. Rajesh Kumar (DIN-09586370) as a Whole Time Director of the Company and to Consider and if thought fit, to pass, with or without modification(s), the following resolution a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 160, 179, 196, 197, 198, 203 read with schedule V and other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors in its meeting held 15th February 2023, the consent of the members of the Company be and is hereby accorded to appoint Mr. Rajesh Kumar (DIN-09586370) as Whole-Time Director of the Company, designated as Chief Executive Officer (CEO) of the company w.e.f. 15th February 2023 to 14th February 2027 or for such shorter period as may be prescribed under applicable laws, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening this meeting notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act.

   RESOLVED FURTHER THAT Company Secretary of the Company, be and is hereby authorised to file relevant forms with the Registrar of companies and to do all such other acts, deeds and things as may be considered necessary in connection with the above appointment."

6. Approval of waiver of excess remuneration paid to Mr. Abhijit Pati (DIN-08457230), ex-Whole Time Director and CEO of the Company during the Financial Year 2022-23 and to Consider and if thought fit, to pass, with or without modification(s), the following resolution a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such approval as may be required, the approval of the members of the Company be and is hereby accorded for waiver from recovery of excess remuneration amounting to ₹ 3.77 Crores paid to Mr. Abhijit Pati, (DIN: 08457230), Ex- Whole Time Director & CEO for the financial year 2022-23, which is in excess of the limits prescribed under Schedule V of the Act in view of inadequate profits for the financial year 2022-23 and within the limits as approved by the Members of the Company at their 56th Annual General Meeting held on 27th June 2022.

   RESOLVED FURTHER THAT the Company Secretary, be and is hereby authorized to sign and file the statutory form(s) with the Registrar of Companies, and to comply with all other applicable formalities and to do all such things as may be deemed necessary in this regard."

7. Appointment of Mr. Anoop Kumar Mittal (DIN: 05177010) as an Independent Director of the Company and to consider and if thought fit, to pass, with or without modification(s), the following resolution an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and on the recommendation of Nomination & Remuneration Committee and approval of Board of Directors for the appointment of Mr. Anoop Kumar Mittal (DIN: 05177010) as an Additional Director designated as an Independent Director of the Company w.e.f. 19th October 2022, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and rules made thereunder and in respect of whom the company has received a notice in writing in terms of Section 160(1) of the Act from the members proposing his candidature for the appointment and who holds office as such upto the date of 57th Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the 1st term of 1 years effective from 19th October 2022 till 18th October 2023.

   RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution."

By order of the Board

Prateek Jain
Company Secretary
ACS-67321

Date: 03-06-2023

Registered Office:
Aluminium Sadan, Scope Office Complex, Core-6,
7 Lodhi Road, New Delhi-110003.
CIN: U74899DL1965PLC004518
Email: balcolegal@vedanta.co.in
Website: www.balcoindia.com
Tel: 011-49166200

NOTES:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013("Act") relating to the special businesses as set out in Item No. 3, 4, 5, 6 & 7 above is annexed hereto.

2. Information regarding particulars of Directors seeking appointment/re-appointment requiring disclosure in terms of Secretarial Standards on General meetings issued by the Institute of Company Secretaries of India [SS-2], is annexed as Annexure 1. The Company has received the consent/declaration for appointment/re-appointment under the Companies Act, 2013 and the rules thereunder.

3. In view of the massive outbreak and extraordinary circumstances created due to the COVID-19 pandemic, the Ministry of Corporate Affairs vide it's General Circular no. 14/2020 dated April 08, 2020, General Circular no.17/2020 dated April 13, 2020, General Circular no. 20/2020 dated May 05, 2020, General Circular no. 21/2021 dated December 14, 2021 and General Circular no. 10/2022 dated 28.12.2022 ("MCA Circulars") has allowed to hold the Annual General Meeting (AGM) of the Company due in the Year 2023, to conduct their AGMs on or before 30th September 2023 through Video Conferencing ("VC") / Other Audio Visual-Means ("OAVM") without the physical presence of the Members at a common venue. Therefore, in compliance with the MCA Circulars and applicable provisions of the Companies Act, 2013, 57th AGM of the Company is scheduled to be held through VC/OAVM in the manner given below, hence, the facility for appointing proxies will not be available for this meeting.

4. It is being informed that the physical presence of the members has been dispensed with for attending the meeting through VC/OAVM, therefore, the facility to appoint a proxy to attend and cast vote for the members will not be available for this AGM and hence, the Proxy Form, Attendance Slip and route map are not annexed to this Notice.

5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company in electronic mode on all working days, except Saturdays, during business hours up to the date of the AGM. Such documents will be also available at the AGM for inspection by members through electronic mode.

7. The Register of Directors and Key Managerial Personnel and their shareholding-maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested, maintained u/s 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM of the Company through electronic mode.

8. Members may note the designated email address of the company– prateek.jain@vedanta.co.in for any technical assistance before or during the meeting and for registering the email Id with the company for participating in the meeting.

   Members may further note the following instructions for joining the AGM through VC / OAVM as per MCA Circulars:

   (i) The Company shall be providing a two-way teleconferencing facility via Microsoft Teams application for the ease of participation of the members.

   (ii) Members are requested to participate on a first come first serve basis. However, the participation of members holding 2% or more, promoters, institutional investors, directors, key managerial personnel, chairperson of audit committee, nomination and remuneration committee and the statutory auditors and the secretarial auditor of the Company is not restricted.

   (iii) The members can join the AGM in the VC/ OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the notice.

   (iv) Link along with the credentials for joining the meeting shall be shared separately to all members on their email IDs registered with the company. Members may login on the said link using their credentials.

   (v) Voting mechanism shall be by show of hands unless a poll is demanded at the meeting. In the case of poll, members shall cast their vote on the resolution(s) only by sending an email at above mentioned designated email address.

9. Shareholders may get their Email Ids registered for participation by sending an intimation to above mention designated email address.

10. Corporate members intending their authorized representatives to attend and vote at the Annual General Meeting (AGM) are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM at the designated Email address mentioned in the Notice.

11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

12. In view of relaxation given by MCA Circulars, Integrated Annual Report including the Financial Statements, Auditor's report, Board's report and Notice of 57th Annual General Meeting along with all the annexures and attachments thereof are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company and trustees for the debenture-holder of the company at their registered e-mail addresses and all other persons so entitled at their registered e-mail addresses. No Physical Copy of the same will be provided by Company. Shareholders whose email address are not registered/ updated with the Company may update the same by sending an email to the designated email address as mentioned in this notice.

13. The Notice of the AGM along with the Integrated Annual Report for FY 2022-23 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories unless any Member has requested for a physical copy of the same.

14. Notice and the Integrated Annual Report of the Company for the financial year 2022-23 will also be available on the Company's website at https://www.balcoindia.com/

15. Recorded transcript of the Meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company. The registered office of the company shall be deemed to be the place of Meeting for the purpose of recording of the minutes of the proceedings of this AGM.

Explanatory statement pursuant to section 102 of the Companies Act, 2013("the Act")

Item No. 3:

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors of the Company, is required to be ratified by the members of the Company at the General Meeting.

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment of M/s. R J Goel & Co. as the Cost Auditors of the Company at remuneration of ₹ 2,50,000/- (excluding taxes and out of pocket expenses) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024.

Accordingly, ratification by the members is being sought for the remuneration payable to the Cost Auditors for the financial year 2023-24 by way of an Ordinary Resolution.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution as set out at Item no. 3 of the Notice except to the extent of their shareholding.

Item No. 4 & 5:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company approved and passed a resolution at their meeting held on 15th February 2023 for appointment of Mr. Rajesh Kumar (DIN-09586370) as an Additional Director on the Board of the Company with effect from 15th February 2023 (designated as Chief Executive Officer and Whole time Director) in accordance with the provisions contained in Section 161, 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V, and other applicable provisions, if any of Companies act, 2013 along with rules made thereunder and subject to any regulatory approvals that may be required by operation of law, Mr. Rajesh Kumar (DIN-09586370) shall hold office up to the date of this Annual General Meeting to be held on 27th June 2023. Accordingly consent of the members is sought for appointment of Mr. Rajesh Kumar as Director of the company designated as Whole-Time Director and Chief Executive Officer of the Company.

Approval of the Members is required by way of a Special Resolution for appointment and payment of remuneration to Mr. Rajesh Kumar (DIN-09586370) on the terms and conditions of the appointment and remuneration payable as recommended by the Nomination and Remuneration Committee and approved by board at their meeting dated 15th February 2023.

Proposed Remuneration:

Particulars	₹*
Annual Base Salary (incl. Gratuity, Superannuation etc.)	1,68,65,000
Total Annual Bonus Target	1,18,05,500
Total Stock Option Target	70,00,000
Other Benefits	13,85,000
Total	**3,70,55,500**

* Remuneration excludes Annual Increment which will be paid as per Company Policy and a Joining Bonus of INR 40,00,000/- (Rupees Forty Lakhs Only) with a lock-in period of 1 Year

The Board accordingly recommends a Special Resolution set out at Item No. 4&5 of the accompanying Notice for approval of the Members.

Except Mr. Rajesh Kumar none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at Item No. 4&5 except to the extent of their shareholding.

The Statement Containing Additional Information as Required Under Schedule V of the Act for the Item No. 4&5

GENERAL INFORMATION

1. Nature of Industry: Aluminium production and Power Generation
2. Date of commencement of Commercial production: 27th November, 1965
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators:

₹ Crore

Particulars	FY 2022-23	FY 2021-22
Income from Operations and Other Income	13,496.40	13,938.84
Operating Profit (Before Interest, Depreciation & Tax)	831.92	4,569.26
Profit/(Loss) Before Tax	72.94	3,556.17
Less: Provision for Tax		
Current Tax	0.83	356.71
Deferred Tax	29.68	463.28
Net Profit/(Loss) After Tax	42.43	2,736.19

5. Foreign investments or collaborations, if any: The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

I. INFORMATION ABOUT THE APPOINTEE:

1. Background details:

Mr. Rajesh Kumar

Mr. Rajesh Kumar has 35+ years of experience in Tata Steel. In his previous role, Mr. Kumar has been the Executive in charge of the Industrial By-Products Management Division. Mr. Kumar has a vast experience in various functional areas like operations, maintenance, project execution, and productivity improvement in different manufacturing units of steel plant like Bar and Wire Rod Mill, Merchant Mill, Hot Strip Mill, Thin Slab Caster and Rolling Mill, Steel Melting Shop within Tata Steel India and Thailand. Mr. Rajesh has done his MBA from XLRI, Jamshedpur and B. Tech in Mechanical Engineering from Indian Institute of Technology (Banaras Hindu University), Varanasi.

Mr. Rajesh Kumar has rich and varied experience in the industry and has been involved in the various operations of Tata Steel. He has proved his ability to deliver significant operating and financial improvements, while also ensuring important advances in sustainability.

2. Past Remuneration:

Financial Year	Amount (₹ in Lcs)
FY 2022-23 (15th Feb '23 to 31st Mar '23)	21.74

3. Recognition or awards:

Under dynamic leadership of Mr. Rajesh Kumar, the Company has won notable awards recently:

i. BALCO has been awarded 5th ICC Social Impact Award, 2023 under the category Employment Enhancing Vocational Skills.

4. Job Profile and his Suitability:

Mr. Rajesh Kumar has been instrumental in pressing forward the art of gear manufacturing and keeping abreast with the latest technology for delivering the highest quality of products. He has inherited an enormous legacy and shouldered higher assignments during his tenure. In view of his enriched experience and enlarged leadership, the Board proposes for the appointment of Mr. Rajesh Kumar, CEO and Whole Time Director, for a period w.e.f. 15th February 2023 to 14th February 2024, as per the details stated in explanatory statement of Item No. 4&5 of the Notice.

5. Remuneration Proposed:

As stated in Explanatory Statement as Item No. 4&5 of this Notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration as proposed of Mr. Rajesh Kumar is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its businesses. Considering their general industry and the specific company profile the proposed remuneration is in line with the industry levels and that of comparatively placed Companies in India.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Beside the remuneration proposed to be paid to Mr. Rajesh Kumar, he does not have any other pecuniary relationship with the Company or relationship with any other Director or Managerial person.

Item No. 6:

Mr. Abhijit Pati was re-appointed as a CEO and Whole Time Director of the Company for a period of 2 years with effect from 1st January 2022 till 31st December 2023, by means an Ordinary Resolution passed by the Members at the 56th Annual General Meeting (56th AGM) of the Company held on 27th June 2022 on the terms and conditions including payment of remuneration as mentioned therein.

At the time of his re-appointment, the Company had adequate profits and the remuneration paid / payable to Mr. Pati was well within the limits prescribed under the Companies Act, 2013. However, during the last financial year, the Aluminum industry has seen a set of unprecedented circumstances and as a result the EBITDA (before exceptional items) fell to ₹ 731 Cr. registering a decline of 83% over the previous year. The Net Profit of the Company for the financial year ended 31st March 2023 stood at ₹ 73 Cr., as compared to Net Profit of ₹ 3,556 Cr., for the previous year. Owing to the above factors, the financial performance of the Company in the financial year ended March 31, 2023 did not meet expectations.

As a result of the above, the remuneration paid to Mr. Abhijit Pati for the financial year 2022-23 exceeded the limits specified under Section 197 of the Companies Act, 2013 (the Act) read with Schedule V thereto. Pursuant to Section 197(10) of the Act, the members of the Company can waive the recovery of excess remuneration by passing a special resolution. The management of the Company believes that the remuneration as previously approved by the members of the Company and paid to Mr. Abhijit Pati was justified in terms of his key role within the Company.

The Nomination and Remuneration Committee and the Board have at their respective meeting(s) held on 18th April 2023 and 20th April 2023, subject to the approval of the members of the Company, accorded their approvals for waiver of the recovery of excess managerial remuneration paid by the Company to Mr. Abhijit Pati and, in the interest of the Company have also recommended the aforesaid resolution as set out in this Notice for approval of the Members.

Accordingly, it is proposed that approval of the members of the Company by way of a special resolution be obtained for the waiver of recovery of excess remuneration paid to Mr. Abhijit Pati. The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

The Board accordingly recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members.

None of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out in Item no. 6.

The Articles of Association of the Company, relevant resolutions passed at the Board and Committee Meetings and other allied documents being referred in the resolution, are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. up to the date of AGM and will also be available for inspection at the venue of the AGM.

Item No. 7

On the recommendation of the Nomination and Remuneration Committee, Board of Directors appointed Mr. Anoop Kumar Mittal (DIN: 05177010) as an Additional Director designated as an Independent Director of the Company to hold office for the 1st term of 1 year effective from 19th October 2022 till 18th October 2023, not liable to retire by rotation, who shall hold office up to the date of ensuing AGM or the last date on which AGM should have been held whichever is earlier.

As an Additional Director, Mr. Mittal holds office till the date of this Annual General Meeting and is eligible for being appointed as an Independent Director. The Company has received the necessary declaration(s) from Mr. Mittal confirming that he meets the criteria as prescribed under the Companies Act, 2013 (the Act) and rules made thereunder.

Mr. Mittal is not disqualified from being appointed as a Director under provisions of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company and other necessary disclosures.

In terms of Section 160 of the Act, the Company has received a notice in writing from a member of the Company proposing the candidature of Mr. A K Mittal to be appointed as an Independent Director.

In the opinion of Board, Mr. Mittal fulfills the conditions specified in the Act and the Rules made thereunder for his appointment as an Independent Director and he is independent of the management.

A copy of the letter of appointment for Independent Directors, setting out the terms and conditions for the appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day up to the date of this Annual General Meeting and also at the meeting via electronic mode. The same is also available on the website of the Company www.balcoindia.com.

It is proposed to seek members' approval for the appointment of Mr. Anoop Kumar Mittal as an Independent Director of the Company, in terms of applicable provisions of the Act and rules made thereunder.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 7 of the accompanying Notice for approval of the Members.

Save and except Mr. Anoop Kumar Mittal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7.

By order of the Board

Prateek Jain
Company Secretary
ACS-67321

Date: 03-06-2023

Registered Office:
Aluminium Sadan, Scope Office Complex, Core-6,
7 Lodhi Road, New Delhi-110003.
CIN: U74899DL1965PLC004518
Email: balcolegal@vedanta.co.in
Website: www.balcoindia.com
Tel: 011-49166200

Annexure-1

Detail of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to secretarial standard-2 issued by the Institute of Company Secretaries of India:

Mr. Tarun Jain

Name of Director	Mr. Tarun Jain
DIN	00006843
Age	63 Yrs.
Qualification	Mr. Tarun Jain is a fellow member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India, besides being a Graduate of the Institute of Cost and Works Accountants of India.

Experience	Almost 40 years of diversified experience in strategic financial matters including corporate finance, corporate strategy, business development and mergers and acquisitions. He is a graduate of the Institute of Cost and Works Accountants of India, a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.
No. of Shares held in Company	Nil
Terms & condition of Re-appointment	Non-Executive Director
Remuneration sought to be paid / last Drawn (including Sitting fees) Date of first appointment on the Board	₹ 18.01 Lacs. 2nd March 2001
Relationship with Another Director/ KMP/Manager	None as per the definition of Relatives specified in the Companies Act and Listing Regulations
Number of meetings of the Board Attended during the year	As mentioned in the Corporate Governance Report
Directorships, in other companies	**Directorship in Companies** **Listed/Unlisted Public Companies** Bharat Aluminium Company Limited **Private Companies** Aart Ventures Private Limited Aart Corporate Advisors Private Limited **Sec.8 Companies** Vedanta Medical Research Foundation Rajtaru Charity Foundation Rushabhnath Digamber Jain Foundation
Committee Membership/ Chairmanship of other Companies	**Member** Audit Committee-Bharat Aluminium Co. Ltd. Nomination & Remuneration Committee- Bharat Aluminium Co. Ltd.
	Chairman Finance Standing Committee-Bharat Aluminium Co. Ltd.

Mr. Rajesh Kumar

Name of Director	Mr. Rajesh Kumar
DIN	09586370
Age	57 Yrs.
Qualification	Mr. Rajesh has done his MBA from XLRI, Jamshedpur and B. Tech in Mechanical Engineering from Indian Institute of Technology (Banaras Hindu University), Varanasi.

Experience	Mr. Rajesh Kumar has 35+ years of experience in Tata Steel. In his previous role, Mr. Kumar has been the Executive in charge of the Industrial By-Products Management Division.
No. of Shares held in Company	Nil
Terms & condition of Re-appointment	Executive Director
Remuneration sought to be paid / last Drawn (including Sitting fees) Date of first appointment on the	₹ 3.71 Cr (remuneration sought to be paid)
Board	15th February 2023
Relationship with Another Director/ KMP/Manager	None as per the definition of Relatives specified in the Companies Act and Listing Regulations
Number of meetings of the Board Attended during the year	As mentioned in the Corporate Governance Report
Directorships, in other companies	**Directorship in Companies** **Listed/Unlisted Public Companies** BHARAT ALUMINIUM CO LTD VEDANTA MEDICAL RESEARCH FOUNDATION
Committee Membership/ Chairmanship of other Companies	**Member** CSR Committee-Bharat Aluminium Co. ltd. Finance Standing Committee- Bharat Aluminium Co. Ltd.

Mr. Anoop Kumar Mittal

Name of Director	Mr. Anoop Kumar Mittal
DIN	05177010
Age	63 Years
Qualification	B E (Civil Engineering)

Experience	Chairman cum Managing Director (2013-2019) in NBCC (India) Ltd. At various position in NBCC (1985-2013)
No. of Shares held in Company	NIL
Terms & condition of Re-appointment	Independent Director for 1st term of appointment from 19th October 2022 till 18th October 2023
Remuneration sought to be paid / last Drawn (including Sitting fees) Date of first appointment on the	₹ 7 Lacs (including sitting fees and commission)
Board	19th October 2022
Relationship with Another Director/ KMP/Manager	None
Number of meetings of the Board Attended during the year	As mentioned in the Corporate Governance Report
Directorships, in other companies	**Listed/Unlisted Public Companies** Bharat Aluminium Company Limited Bergers Paints India Limited Welspun Enterprises Limited Universal MEP Projects & Engineeering Services Limited Calcom Cement India Limited Vinay Cement Limited **Private Companies** SpaceMantra Private Limited Durgay Infrastructure Projects Private Limited
Committee Membership/ Chairmanship of other Companies	**Member in Audit Committee** Universal MEP Projects & Engineering Services Limited Berger Paints India Limited Calcom Cement India Limited Vinay Cement India Limited **Member in Nomination & Remuneration Committee** Berger Paints India Limited Welspun Enterprise Limited Calcom Cement India Limited Vinay Cement India Limited **Member in Corporate Social Responsibility Committee** Berger Paints India Limited Bharat Aluminium Co. Limited **Member in Risk Management Committee** Welspun Enterprise Limited

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 57th Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the financial year ended 31st March 2023 is summarised below:

₹ Crore

Particulars	FY 23	FY 22
Turnover	**13,059**	**13,607**
EBITDA	**713**	**4,416**
Depreciation	625	570
Other income (net of expenses)	(101)	(153)
Operating profit before finance cost	207	3,999
Finance cost	134	229
Exceptional Item	-	215
Profit/(loss) before tax	**73**	**3,556**
Tax Expense	31	820
Profit/(loss) after tax	**42**	**2,736**
Other comprehensive income/(loss)	33	(17)
Total comprehensive income/(loss)	**75**	**2,720**
Paid up Equity Share Capital	221	221
Opening reserves	**7,451**	**4,732**
Debenture redemption reserve	-	-
Capital reserve	9	9
Other free reserves	7,442	4,722
Transfer to DRR from free reserves	-	-
Other receipts in free reserves	-	-
Closing reserves	**7,527**	**7,451**
Debenture redemption reserve	-	-
Capital reserve	9	9
Other free reserves	7,517	7,442

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

1. OVERVIEW AND STATE OF THE COMPANY'S AFFAIRS

The Financial and Operational highlights during FY 23 are as under:

Financial

a. During FY 23, revenue from operations reduced to ₹ 13,059 Crore as against ₹ 13,607 Crore in the previous year – a reduction of 4%.

b. EBITDA reduced to ₹ 731 Cr.

c. Cost of goods sold as a percentage to revenue from operations increased to 85% as against 58 % in the previous year.

d. The Profit before Tax for the current year is ~₹ 73 Cr against a profit of ₹ 3,556 Cr in the previous year.

e. Finance Cost for the current year is ₹ 134 Cr against ₹ 229 Cr in FY 22- a reduction of 53%.

f. Loan of ₹ 520 Cr repaid during FY 23.

Operational

Highest Ever Domestic Sales from BALCO of 376kt (Total Sales: 564kt, Export Sales: 188kt)

Sales & Dispatch:

- First time ever in BALCO'S history achieved "Zero FG Closing Stock"
- In FY 23 every month achieved lowest ever Closing Stock in BALCO'S history
- Highest ever domestic YTD sales of 376kt
- Highest VAP Sales of 49.95% in last 5 years
- Highest ever PFA sales of 71.6kt
- Highest monthly RP sales of 3.2kt in FY 23
- Highest WR sales of 171kt in last 4 years
- Highest monthly WR sales of 16.5kt in FY 23
- Best Domestic (66.64%) of Export (33.36%) ratio in last 5 years.
- Sales & Dispatch: ZERO closing stock (Previous best: 304 Mt in FY 22)

Volume & Specifics:

- FLA: Highest ever annual Alloy ingot production of 71.5 kt (Previous best 57kt in FY 22)
- FLA: Highest ever Alloy rod production of 7.72 kt in a year (Previous best of 3.6 kt in FY 20)
- FLA: Highest ever EC ingot production of 254.6 KT (FY 23) in CH3 (Previous best of 226 KT)
- FLA: Highest ever HRC production of 10.8 kt in a year (FY 23) (Previous best 9.8 kt in FY 22)
- FLA: Highest ever VAP production of 50.22 % (Previous best 50.00 % in FY 19)
- Potlines: Highest ever Pot life of 2,053 days (Previous best: 1,851 in FY 22)
- Potlines: Best ever operating current in Potlines: 335.7 KA and Potline-2: 342.4 KA in a year
- Potlines: Lowest ever Net Carbon consumption in Potline-2: 416 kg/Mt in a year
- Potlines: Lowest ever specific power consumption of 13,817 kwh/Mt and Aux. power consumption of 480 Kwh/Mt in Potline-2 in a year
- Potlines: Highest ever SPL selloff: 21,721 MT in a year
- Potlines: Highest ever PTM availability in Potline-1: 95.20 % in a year
- Metal intake capability increased from 973 MT (FY 22) per day to 1,138 MT (FY 23). This helped us to minimize manual sow casting approx. 5,000 MT per month. Approx $ 12 savings per MT. Yearly savings approx. ₹ 5.50 Cr.

Quality:

- Carbon: Highest ever CRR in Baked Anode: 91.50% in FY 23 (Previous best 91.37% in FY 18)
- FLA: Lowest ever wire rod rejection of 0.17% in FY 23 from 0.25% in FY 22
- FLA: Lowest ever melt loss of 0.33% in FY 23 in CH-3 from 0.34% in FY 22.
- FLA: Lowest ever melt loss of 1.02% in AlSi

Power Operations:

- Highest ever ash utilization 175%
- Itinerary towards Green Aluminium 546 MU RE power purchased in FY 23
- Reopening of Chotia Mines step for sustainable coal sourcing
- Equipment reliability improvement after replacement of unit#3 135 MW generator stator and unit #4 300 MW Turbine HIP rotor improve unit availability by 2.10%
- Biomass co-firing successfully implemented in CPP 540 MW (1% consumption rate) and successful pilot trial done in 1200 MW unit.
- Simultaneous export & import approval was taken and implemented successfully in BALCO Complex
- Digitization Artificial Intelligence based Auto HSSE Monitoring
- Oil Balancing through Digitalization tracking of lube oil consumption and recovery of used oil
- Digitization Materialization planning of coal based on source of coal supply, unloading and tracking system

2. EXPORTS

The aluminium exports during the FY 23 are 1,88,260 MT generating revenue of ₹ 4,075.28 Cr. (including export incentive of ₹ 52.67 Cr.).

3. CONTRIBUTION TO GOVERNMENT EXCHEQUER

During the FY 23, Company has contributed ₹ 4,113 Cr. to State and Central Government treasury as compared to contribution of ₹ 3,536 Crore made in FY 22.

4. TRANSFER TO RESERVE

The Company has transferred NIL to General Reserves for the financial year ended on 31st March 2023. An amount of ₹ 7,527 Cr is retained in the retained earnings.

5. DIVIDEND

Your Directors wish to conserve resources for future expansion and growth of the Company. The Board of Directors of your company has decided that it would be prudent, not to recommend any Dividend for the financial year under review.

6. CREDIT RATING

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

7. HEALTH, SAFETY & ENVIRONMENT

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

The Key highlights for the year 2022-23 are as under:

Safety

- Merger of factories licenses done for 8 licenses into 2 (Metal & Power business) licenses.
- Highest reporting of Hazard (1,22,614) & Near-miss (10,266)
- Vihaan- CRM program launched 1st time from BALCO in Sept-22. Out of 11 identified fatal potential risks, 3 critical risks (Work at height, Isolation & Vehicle & Driving) initiated at BALCO for which 3 days workshops were conducted for each module.
- 90 Days Transformation journey initiated for standardizing machine guarding across Balco.
- Suraksha Samvaad- BALCO senior management along with business senior management interacted with all shop floor employees to them for "Right to refuse unsafe work"
- Digital zebra crossing & Access Control has been provided at various locations in Rodding shop, GAP, Cast House
- Use of hard barricading, instead of usage of soft barricading with reflectors has to be ensured
- CFT Electrical Safety Audit conducted across BALCO.
- Solar type-high mast installed in ash dyke area
- 22 Numbers of vehicle reversing points were eliminated across the plant
- 3rd Party Safety Audit as per IS 14489:2018 done by M/s. DEKRA
- VRD (Voltage reduce device) is installed on welding machine to reduce the voltage on holder when it is ideal
- Workshop conducted with 40 BP safety team for preventing the Incident at workplace
- JCC workshop conducted by DSS consultant, total 29 people participated.
- Launched two CRM modules Entanglement in moving & Rotating Equipment and Loss of Containment of Molten Metal across BALCO.

Health

- For further improvement in OH, the Red Zone survey conducted across BALCO by a competent third party. Qualitative report received.
- 118 nos. of Fluoride Testing done for Business Partner & BALCO Employees of Potline for identification of Skeletal Fluorosis through BALCO Medical Center, Raipur
- Occupational Health Management: Qualitative survey done for categorization of OH risks.

Sustainability

- Celebrated Greener Birthdays for September, October, November, December, and January born.
- Sustainability Catalysts is Launched for VSAP FY24.
- Earth Hour celebrated by switching off lights for 30 mins and saved 1.63 TCO_2.
- PPE Management guidelines released on Global Recycling Day.

Environment

- Environment Clearance for Expansion of smelter from 5.75 To 10.85 LTPA has been granted by MoEFCC during the month of April 2022.
- Consent To Establish for Expansion of smelter from 5.75 To 10.85 LTPA has been granted by CECB during the month of June 2022.
- Renewed consent to operate for 540MW and 1200MW obtained and valid till 31st May 2023 including Consent for DG set.
- Renewal of BMW Authorization for BALCO Hospital obtained and valid till 16.01.2025.
- Celebrated Bio-diversity Week
- 175 % fly ash utilization has been achieved during FY 23.
- Reclamation of SECL Mines (Manikpur) has been started.
- A weeklong celebration was organized on the occasion of World Environment Day 2022.
- CPCB permission was received for trial run for alternate use of Shot blast dust through local entrepreneurs engaged with BALCO. Trial run was completed.
- Statutory returns like Ash compliance report, Hazardous waste returns, BMW Returns, battery returns and six-monthly compliance reports has been submitted to authorities timely.
- 4,754 MT Bio-mass co-fired in Power Plant.
- GHG emissions in FY 23 achieved 16.29 TCO_2/T against target 17.02 TCO_2/T.
- Water bodies renovation – 100+ community ponds renovated increasing water holding capacity by 1,23,000+ CuM of water.
- Consent to Operate (CTO) for Chotia-II valid up to 30.06.2023 and permission for restarting of mining operations have been received from CECB.
- Renewal of CTO for Metal Area received on 29th December 2022 valid till 31st December 2023.
- Biodiversity Assessment completed by ERM for NNL during 14-18 February 2023.
- Environmental Risk Assessment conducted by ERM during 17-20 January 2023.
- 1,23,562 saplings planted during FY 23.
- Renewal of CTO for Dross processing Unit (Runaya –Stage 1&2) received on 27th January 2023 valid till 31st January 2024.
- First of its kind 3-days training cum workshop conducted by REIA on Environment Management in industries (42 employees including business partner employees attended the workshop.
- 546.29 MU RE Power procured in FY 23 (7.12% of Smelter power consumption).
- 21,721 MT of SPL Carbon sold against the generation of 7,808 MT (Utilization of 278%) in FY 23.

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

- Kalinga Safety Excellence Award- Silver Category 2022 for Metal Division
- BALCO certified as Silver through CII GreenCo Assessment
- CII Platinum winner for Digitalisation in HSES
- Won the Frost and Sullivan & TERI Sustainability assessment award for Best Sustainable Factory 2022
- Winner of Council of Enviro Excellence (CEE) – Environmental Excellence Award 2022 for excellence in Environmental Sustainability in Fly Ash Utilization/ Disposal
- Winner under Environment Protection Category by GREENTECH Foundation.
- "Energy And Environment Foundation Global Road Safety Award 2023" in Gold Category
- Gold award in Sustainability category in OHSSAI 7th Annual HSE & Sustainability

8. INFORMATION TECHNOLOGY & COMMUNICATION

- **Suraksha Sankalp Portal: -**

  The idea was to have an integrated portal for all the safety meetings with external partners (DuPont) and internal committees' meetings. A web portal was created with different integrated functions and sub portals which are as follows:

  - **Sankalp Safety Engagements** (Leading Indicators Tracking): Having capabilities to create committees and add members, schedule meetings, track MOM's, track attendance of all the committees and members, track meeting effectiveness, add DSS (DuPont Safety recommendations) and observations, reporting incidents, assigning incidents to members, track progress on the assigned tasks, track MOM's, add MOM's and track them with rich integrated features such as auto mail triggers and reminders.

- **Suraksha Kutumb** (Talk about Anchors, Mentees & Meetings): This portal is used to create anchors and mentees, schedule meetings, track MOM's, track attendance of all the anchors and mentees, raise requests, reporting incidents, assigning incidents to mentees, track progress on the assigned tasks, track MOM's, add MOM's and track them with integrated features such as auto mail triggers and reminders. More than 650 anchors and 6500 mentees are covered and engaged in the Suraksha Kutumb portal for creating awareness of the safety measures.

- **Suraksha Sankalp** (Talk about Chairman, Members & Meetings): It is used to for chairman, members, and their meetings. They can create requests for committees and assign tasks and review them. anchors and mentees, schedule meetings, track MOM's, track attendance of all the anchors and mentees, raise requests, reporting incidents, assigning incidents to mentees, track progress on the assigned tasks, track MOM's, add MOM's and track them with integrated features such as auto mail triggers and reminders.

- **Robotic Process Automation for Marketing: -** To make easier Marketing Through Digitalization

In the Marketing section using this Digital System will get the following benefits- Faster Planning & Execution, Customer Specific Tracking, Man Hour Optimization, it will be faster in decision making, improvement on System Driven Process, and Elimination on manual intervention.

Features of Robotic Process Automation For Marketing

In this initiative lot of following features are there which will be helpful for our organization- PDS (Production, Dispatch, & Sales) Tracker, FG Ageing Tracker, RP Stock with customer order allocation tracker, Daily Manual Sales Dispatch & Stock Automation, Customer wise specific handover tracker for PFA & WR, Customer wise specific handover tracker – Rolled Product, Day wise handover tracker, Customer wise sales tracker and Customer specific stock details tracker.

- **Robotic Process Automation for Commercial: -** Tracking of Saving Against LPO

This Digital intervention in commercial will achieve the following benefits- Commercial savings with respect to LPO/Budget allocated, Faster execution of POs, Consolidation of similar PRs, better tracking of buyer efficiency, Man-hour optimization, Real-time data availability, Efficient forecasting, Improved governance.

Features of Robotic Process Automation for Commercial

In Robotic Process Automation For Commercial following features are there- Tracking of Savings against LPO, Tracking of PR to PO Lead Time for better optimization, Number of POs Punched-Per Buyer wise / Department wise, Number of Amendments done Buyer wise/department wise, New Vendors Induced tracking, Vendors Rationalization tracking, Number of Auctions: Category wise, Tracker on Value/Vs Saving, Ranking 1-5 of vendors with Maximum PO, Number of Open/Released PR per buyer, and Payment Status-Category wise.

- **Go-Live-Artificial Intelligence Based Auto HSSE Monitoring: -** Safety Enhancement with Zero Harm

As a step closer towards digitalization goals of BALCO we have completed this project of Artificial Intelligence Based HSSE Monitoring. It is a real-world manifestation of the new construct of intelligent enterprise, centred upon one of the most common shared beliefs across all the enterprises on the globe, "Goal Zero". Achieve end-to-end safety compliance through a robust and most comprehensive pre-trained AI models. In this solution, continuous monitoring of unsafe activities is done on real time basis through integration of existing IP cameras into a centralized AI data lake.

Achieve Goal Zero Injury through strategic interventions & occupational safety based on AI enabled insights.

Leverage one of the most comprehensive AI models created on cameras, sensors, edge devices, or drone data to manage safety risks in daily operations, construction projects, shutdowns, and turnarounds. Empower teams with real-time asset insights for intelligent decision-making.

- Automate safety standards such as OSHA, IOGP 577, COHS, and many others.
- Bring a sustainable behavioural change through tracking of multiple hazards.
- Achieve 360° coverage, including hard to reach areas.
- Detect exceptional conditions or threats in real-time.

Features:

- Reporting of daily observations.
- Risk Identification associated with each violation.
- BU wise: Monthly reports of trends.
- Leverage design for large-scale data consumption.
- Track of all actions on recommendations through user friendly enterprise dashboard.
- Get weekly analytics segmented across your entire site.
- Achieve 100% traceability and referencing of all safety events.

9. HUMAN RESOURCES, TRAINING AND DEVELOPMENT

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

In FY 23, total 20,470 training man-days were covered in 742 comprehensive training interventions, with a participation of 8,234 employees against the targeted training man-days 12,127.

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

To educate employees on the various aspects of POSH law, an online E-Learning module was launched in the month of January 2023.

10. INDUSTRY OUTLOOK

Global Trade Scenario

Global Aluminium market went into downturn after March 2022 which was fueled by the economic slowdown all over the globe, Russia – Ukraine war, and sanctions on Russia & Russian metal by various countries. Global premiums also decreased during the same period as the supply always remained equivalent or greater than global demand.

The demand decreased in Europe & USA, as the increased energy prices resulted in increased smelting costs. Europe faced curtailment of Aluminium smelting capacity of over 1 million tons from 2021 to December 2022. High energy prices also affected demand in other major Aluminium consuming sectors (like transport, construction & electrical). Heatwaves in China also resulted in curtailment of smelting capacity majorly in Yunnan province.

The global market is showing signs of rapid transformation towards Green Aluminium as major economies like USA is imposing taxes on based on carbon emission levels and Europe is imposing CBAM (Carbon Border Adjustment Mechanism).

Domestic Market Scenario

Indian Aluminium consumption has increased by 9% Y-o-Y basis. In FY 23, the production of three primary Indian producers grew by 2% i.e. 65kt as compared to FY 22. While the total primary aluminium demand increased by 21%. Indian demand performed strongly in March 2023 despite recent economic difficulties and has so far remained resilient. Retail inflation decreased marginally in February from January to 6.4% from 6.52%, but it continued to be above the Reserve Bank of India's (RBI) tolerance level for the second month in a row.

In spite of rising costs and interest rates, demand for real estate remained stable. Housing sales in eight major Indian cities totaled 79,126 units in the first quarter of 2023, a 1% Y-o-Y increase. In contrast, the residential market saw a significantly stronger supply with 87,299 units released, up 12% Y-o-Y. This is in spite of a 5-7% Y-o-Y increase in housing prices and an increase in home loan interest rates to 9% from 6.6% in 2022.

In India, vehicle registrations surpassed pre-Covid-19 levels in March, rising to 2 million units from 1.8 million in March 2019. The holiday demand and pre-purchasing before the implementation of tighter fuel emission requirements contributed to the increase in sales. These regulations, which became effective on 1 April, require automakers to add an emissions-checking device to their vehicles, increasing the cost of production. Major Manufacturers, such as Maruti Suzuki Ltd., Hero MotoCorp Ltd., and Tata Motors Ltd., have all recently announced price rises to compensate the increased costs.

Price Drivers

FY 23 experienced a downfall in prices in H1 and the LME maintained a range of 2200 to 2400 in H2.

The Europe and US premiums have registered drastic fall during first three-quarters of FY 23. Global ingot premiums have shown recovery in Q4 whereas for billet premiums any such recovery is still awaited.

Although energy prices have peaked out in Europe, but the smelter curtailment still continued there. This is because the prices were still higher than previous levels of 2020-2021. China has also observed smelter curtailment in Yunnan province this is majorly due to heatwaves in the region unlike Europe where primary reason of curtailment was energy prices. No curtailment was registered in India.

Product and Customer

Balco's integrated smelter in India with 0.58 MTPA installed capacity with primary domestic market share of 23% FY 23 as compared to 22% in FY 22. Balco's product range includes Aluminium Ingots, Primary Foundry Alloys, Wire Rods, Alloy Rods, ALSI and Rolled Products. The company is poised to accelerate its reach to automotive downstream industry in India through variety of its value-added products portfolio, which is on increasing trend as days pass by.

For this financial year, 49% of the company's total sales were to the Indian markets, specifically for use in the electrical and transportation industries. About 70% of this domestic sale comprised of Value-Added Product portfolio of Vedanta Ltd. The company sold an overall of 50% of its total sales as Value Added Product in this financial year.

11. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

A) Changes in Directors and KMP

Mr. Arun Todarwal (DIN-00020916) ceased as an Independent Director of the Company upon his resignation on 30th June 2022.

During the year, there was a change in the designation of Mr. Sushil Kumar Roongta (DIN-00309302), who was appointed as Independent Director and Chairman of the Company, w.e.f. 14th July 2022, for a period of 2 years, i.e., till 13th July 2024.

Mr. Abhijit Pati (DIN-08457230) ceased to be the Whole Time Director and Chief Executive Officer of the Company pursuant to his resignation on 15th February 2023.

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

i. Took note of the resignation of Mr. Abhijit Pati (DIN-08457230) from the office of Chief Executive Officer and Whole Time Director w.e.f. 15th February 2023.

ii. Appointed Mr. Anoop Kumar Mittal (DIN-05177010) as an Additional Independent Director w.e.f. 19th October 2022 for a period of 1 year, i.e., 18th October 2023, subject to the approval of the Shareholders in the forthcoming Annual General Meeting.

iii. Appointed Mr. Rajesh Kumar (DIN-09586370) as Additional Director, designated as Chief Executive Officer and Whole Time Director of the Company, w.e.f. 15th February 2023 subject to the approval of the Shareholders in the forthcoming Annual General Meeting.

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

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

i. Resignation of Mr. Shakil Alam (DIN-09272903) w.e.f. 19th November 2022

ii. Appointment of Ms. Farida M. Naik (DIN-07612050) w.e.f. 21st November 2022

iii. Appointment of Mr. Sanjeev Verma (DIN-08836996) w.e.f. 26th December 2022

iv. Resignation of Mr. Mustaq Ahmad (DIN-08630622) w.e.f. 27th March 2023

B) Directors liable to retiring by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association Mr. Tarun Jain (DIN- 00006843), Director is liable to retire by rotation at the ensuing Annual General Meeting. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended his re-appointment.

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

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

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

C) Key Managerial Personnel

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

Mr. Rajesh Kumar*	- Chief Executive Officer & Whole Time Director
Mr. Amit Gupta	- Chief Financial Officer
Mr. Prateek Jain	- Company Secretary

*Mr. Abhijit Pati resigned as CEO on 15th February 2023 and Mr. Rajesh Kumar was appointed as CEO w.e.f. 15th February 2023.

D) Separate Meeting of Independent Directors

The Independent Directors met on 22nd March 2023, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity, and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

E) Declaration of Independent Directors u/s 149

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

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

F) Familiarisation Programmes for Board Members

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

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

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

G) Number of Meetings of the Board

The Board met 7 (seven) times during the financial year 2022-23 on 21st April 2022, 21st July 2022, 19th October 2022, 22nd November 2022, 16th January 2023, 02nd February 2023 and 15th February 2023. The maximum interval between any two meetings did not exceed 120 days. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Report.

12. DIRECTOR RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

13. COMPLIANCE WITH SECRETARIAL STANDARDS

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

14. INTERNAL FINANCIAL CONTROLS

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

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

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

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

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

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

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

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

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

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

15. AUDITORS' APPOINTMENT AND AUDITOR'S REPORT:

(A) STATUTORY AUDITORS

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

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

(B) SECRETARIAL AUDITOR

Pursuant to the provision of Section 204 of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Person) Rules 2014, confirmation eligibility and willingness to act as Secretarial Auditor of the Company has been received from M/s CS Nitin Agrawal & Co. to conduct Secretarial Audit for FY 24. The Audit Committee recommends to the Board their appointment for FY 24.

Pursuant to the provision of Section 204 of Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Person) Rules 2014, the Company had appointed M/s Vinod Kothari & Company to undertake the Company's Secretarial Audit for FY 23 at its meeting held on 21st April 2022.

The Report of the Secretarial Audit for FY 23 in Form MR-3 is annexed herewith as **Annexure B**.

(C) COST AUDITOR

Pursuant to provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, appointed M/s R J Goel & Co., Cost Accountants as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March 2024, at a remuneration as mentioned in the Notice convening the Annual General Meeting. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

Confirmation of eligibility and willingness to act as Cost Auditor of Company has been received from M/s R J Goel & Co., to conduct Cost Audit for FY 24. The Audit Committee recommends to the Board their re-appointment for FY 24.

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

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

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

17. EMPLOYEE INFORMATION AND RELATED DISCLOSURES

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

18. CORPORATE GOVERNANCE

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

19. ANNUAL RETURN

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

20. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

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

Complaints of sexual harassment received during FY 23 by the Company were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them. The following is a summary of sexual harassment complaints received and disposed of during the year:

Number of cases pending as on the beginning of the financial year	Nil
Number of complaints filed during the year	1
Number of complaints disposed off during the year	1
Number of cases pending as on the end of the financial year	Nil

21. RELATED PARTY TRANSACTION

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

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

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

22. VIGIL MECHANISM

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

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

In line with global practices, dedicated email IDs and centralized database have been created to facilitate receipt of complaints. A 24x7 whistle-blower hotline cum web-based portal is available to report genuine concerns. All employees and stakeholders can register their integrity related concerns either by calling on a toll-free number or by writing on the web-based portal that is managed by a third party. The hotline provides multiple local language options. After the investigation, established cases are brought to Group Ethics Committee for decision-making. Whistle Blower Policy is also posted on the website of the Company.

23. BOARD EVALUATION

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

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

Outcome of the evaluation exercise:

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

24. DEPOSIT

During the year under review, your Company has not accepted any deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31st March 2023, there were no deposits that were unpaid or unclaimed and due for repayment.

25. LOANS AND INVESTMENT U/S 186

Details of Loans, Guarantee and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to Financial Statements. The investments made by your company are duly approved by the Board under the powers conferred to it under Section 179(3) of the Companies Act, 2013, and are within the limits laid down under Section 186 of the said Act.

26. COMMITTEES OF THE BOARD

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

A) Audit Committee:

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

1. Mr. D. D. Jalan - Chairman (Independent Director)
2. Mr. S K Roongta* - Member (Independent Director)
3. Mr. Tarun Jain - Member (Non-Executive Director)

*Mr. Arun Todarwal ceased to be a member of the Audit Committee due to his resignation on 30th June 2022. Mr. S K Roongta was inducted as member of the Audit Committee w.e.f. 14th July 2022.

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

5 (Five) Audit Committee Meetings were held during the financial year ended 31st March 2023 and the dates on which the Audit Committee Meetings were held are as follows:

21st April 2022; 21st July 2022; 19th October 2022; 16th January 2023 and 02nd February 2023.

The Board has accepted all recommendations of the Audit Committee.

B) Nomination and Remuneration Committee:

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

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

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

In terms of provisions of Section 178 of the Companies Act, 2013, the Company has duly constituted Nomination and Remuneration Committee and as on 31st March 2023, the Nomination & Remuneration Committee comprised of the following Independent Directors & Non-Executive Directors.

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

*Mr. Tarun Jain was inducted as member of the Nomination and Remuneration Committee w.e.f. 14th July 2022.

**Mr. Arun Todarwal ceased to be a member of the Nomination and Remuneration Committee due to his resignation on 30th June 2022, post which the Mr. S K Roongta was re-designated as an Independent Director and Chairman of the Board, w.e.f. 14th July 2022.

During the year FY 23, Nomination & Remuneration Committee met 4(four) times i.e., on 21st April 2022, 19th October 2022, 22nd November 2022 and 15th February 2023.

C) Corporate Social Responsibility Committee

In Compliance with Section 135 of the Companies Act, 2013 the company has duly constituted Corporate Social Responsibility (CSR) Committee and as on March 31, 2023, the Committee comprises of following Independent Director, Non-Executive and Executive Director: -

1. Mr. S K Roongta* - Chairman (Independent Director)
2. Mr. A K Mittal** - Member (Independent Director)
3. Mr. Rajesh Kumar*** - Member (CEO and Whole Time Director)
4. Ms. Nirupama Kotru - Member (Government Nominee Director)

*Mr. Arun Todarwal ceased to be the Chairman of the Corporate Social Responsibility Committee due to his resignation on 30th June 2022. Mr. S K Roongta was inducted as the Chairman of the Corporate Social Responsibility Committee w.e.f. 14th July 2022.

**Mr. A K Mittal was inducted as a member of the Committee subsequent to his appointment on 19th October 2022.

***Mr. Abhijit Pati ceased to be a member of the Committee post his resignation as CEO and WTD of the Company. Rajesh Kumar was inducted as a member of the Committee post his appointment as CEO and WTD of the Company w.e.f. 15th February 2023.

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

During FY 23, CSR Committee met 1(one) time on 21st April 2022.

27. CORPORATE SOCIAL RESPONSIBILITY

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

In terms of the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mr. S K Roongta: Independent Director. The other Members of the Committee for the year ending March 31, 2023 were Mr. Rajesh Kumar, Mr. A K Mittal and Ms. Nirupama Kotru.

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

The Corporate Social Responsibility Policy is available on the website of the Company at https://d2z1l9uefzbzxd.cloudfront.net/wp-content/uploads/2023/03/CSR_Policy_19th_May_2021.pdf.

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates. During the FY 23 the Company has spent ₹ 24.53 Cr. under Section 135 of the Act on CSR activities.

During the year under review, the Company have undergone an Impact, Need and Baseline Assessment for its CSR Projects. An executive summary of the same forms part of the Annual Report on CSR Activities for FY 23.

28. CORPORATE SOCIAL RESPONSIBILITY PROJECTS

BALCO CSR works towards a larger goal of creating enduring value for the communities. We undertake various community programmes as part of our Corporate Social Responsibility (CSR). The Company has committed to align its CSR activities to the priorities of its neighborhood communities and the national priorities. CSR programs are spread across various thematic areas i.e., Education, Sustainable Livelihoods, Health, Water & Sanitation, Women's Empowerment, Environment & Safety, Sports & Culture, and Community Asset Creation including community development. This year a spent of ₹ 24.53 Cr was made across various CSR programs. Our Initiatives reached out to 123 villages in 4 districts of Chhattisgarh touching lives of 1.27 Lac people.

EDUCATION

Connect

The Project focuses on improving the learning environment in nearby 6 government schools by creating an enabling environment with focus on improving Student's Grades, providing them with Career Counselling and promoting Employee Volunteerism. The Field Instructors teach students in SEMA subjects (Science, English, Mathematics & Accountancy) in these Govt. schools. During the year, 2500 students in 6 Govt. schools benefitted through regular and remedial classes for 9th – 12th class on SEMA subjects, summer & winter camps, science exhibition to work towards practical based teaching-learning, career counselling sessions etc. Also, to build more conducive environment of learning capacity building training organized for Govt. teachers on Teaching pedagogy and practical based models.

SUSTAINABLE LIVELIHOODS

Mor Jal Mor Maati

The project focusses on improving the surface water management with existing resources, augmenting irrigation facilities, equipping farmers with the latest farming techniques, and promoting multi-cropping to reduce the dependence on rainfall. It is also bringing farmers into the fold of Fishery, Goatry and Poultry and ensuring income generation round the year. The program is also institutionalizing farming practices by business model development of Farmer Producer Organization (FPO) - Korba Krushak Unnayan Producer Company Limited (KKUPCL).

During the year, 2400 Farmers benefitted and cumulatively brought 1000 acres of land under secured irrigation in 32 villages. Farmers were supported in different activities like, promotion of modern farming techniques, crop & livelihood diversification, water security and FPO development. Farmers were capacitated through training programs on modern cropping methods and provided with input support of seeds, manure, fencing, soil testing and periodic technical support in the field.

As a result, 70% of farmers adopted modern agriculture techniques like Systematic rice intensification (SRI), Trellis & Organic farming, etc. SRI helped farmers in getting 1.2-1.4 times increase in production hence led to an average increase in income by 30 – 60% and reduction in cost of cultivation by 60%. 18% of the farmers are engaged in Livelihood Diversification activities like, Lac Cultivation, Poultry, Goatry and Horticulture which creates an additional income.

21 water harvesting structures (19 farm & 2 community ponds) and created 20 dug wells generating cumulative water storage capacity of 25,000+ CuM. This has increased the water security & recharge and is promoting multiple cropping in the region.

Drinking water facilities created at 4 locations through installation Solar powered pumps benefitting over 240 families. The facilities have enhanced the availability of drinking water in these areas which had been facing scarcity of drinking water. One out of the four installed through convergence of ₹ 2.6 Lacs.

FPO with 800 farmers is having an equity share capital of ₹ 7 Lacs. During the year, it has established its input & output business centers for nearby farmers. The annual turnover for the FPO was at ₹ 4.78 Lacs with a Gross Profit of ₹ 1.80 Lacs.

Vedanta Agriculture Resource Centre (One stop solution for farming needs) came up with multiple innovations like Zero Energy Cooling chambers for storing vegetables and Azola unit which are now educating and promoting farmers to adopt the same.

Project was able to converge and leverage a total of ₹ 1.42 Cr through various Govt schemes like Pradhan Mantri Krishi Sinchayee Yojana, Rashtriya Krishi Vikas Yojana, Chhattisgarh State Saur Sujla Scheme and ₹ 1.41 Cr through community contribution in activities like construction of farm ponds, dug well, poultry & Goatry sheds, soil bunding, SRI and irrigation equipment, etc.

Vedanta Skill School

The project focuses on imparting vocational training to rural youth, dropouts, and unemployed population of Chhattisgarh with a special focus on our operational areas and links them with gainful employment opportunities. During the year, 1007 youth trained in 3 skilling centres running in Korba, Kawardha & Surguja out of which 76% youth placed & self-employed in 18 reputed organizations with an average CTC of ₹ 12,000-18,000/month in 8 states.

Out of 28 batches, 15 batches trained in convergence with government and private partners like Mukhya Mantri Kaushal Vikas Yojna (MMKVY), NABARD, Skill India Impact Bond (SIIB), Generation India etc.

HEALTH, WATER AND SANITATION

Arogya

The project is a comprehensive health initiative providing quality Primary health care services through Rural Health Posts and awareness campaigns on HIV and a special emphasis on Maternal & Child health, particularly targeting the malnutrition. During the year, program reached out to 30,248 people through curative and preventive healthcare services.

Three Rural Health Post at Chuiya, Parsabhatha and Chotia provided OPD services to 3,610 people. Generated awareness on HIV amongst high-risk behavior groups like Truckers and migrant workers. Over 20,000 people sensitized through weeklong mass awareness campaign on World AIDS Day, canopy camps and counselling sessions.

Combating malnourishment in children by improving their nutritional and care practices through dedicated interventions like 25 Positive Deviance Hearth (PDH) sessions, 32 THR trainings and establishing 150 Nutrition Gardens at Anganwadi centres, household of pregnant, lactating and malnourished children. PDH is one of the effective behaviors change program, used to rehabilitate underweight and wasted children without medical complications; sustain their rehabilitation; and prevent future malnutrition.

Conducted Health screening in 39 Anganwadi across 32 villages, covering 1,564 children of 0 to 5yrs age group. Out of which 430 identified as Severely Acute Malnourished (SAM) & Moderately Acute Malnourished (MAM), addressed through PD hearth sessions and NRC referrals. Out of these, 63% of children moved out of SAM and MAM category

Revived & Capacitated, 42 Mahila Arogya Samiti & Village Health, Sanitation & Nutrition Committee (health bodies in communities) covering 600 PRI members & local health workers for better convergence & leveraging.

Mobile Health Van

The Mobile Health Van (MHV) is structured to provide Healthcare at the doorstep of the ailing. The MHV is serving our nearby 45 communities through fortnightly visits and addresses the problems of inaccessibility, inability to afford and non-availability of basic essential primary health care in communities. This year, 14,410 people availed health care services through MHV. 6 Multispecialty Mega health camps (Orthopedics, Dental, ENT, Pediatrics, Gynecologist, Physiotherapist, Blood & Sugar etc.) organized, benefitting 1770 people. 55 home visits were made to elderly and others who could not come to MHV.

22 Awareness camps organized, sensitizing people on Vaccination and other matters of health and hygiene. Special consultation services by Gynecologist through "**Health Chaupal**" launched this year to benefit mothers and adolescent girls.

Nayi Kiran (Menstrual Health Management)

The project focuses on creating awareness, capacity building and leadership development of women adolescent girls on hygienic practices during menstruation and product choice. The program is also bringing "Men in Menstruation" to widen the discussion and understanding on the topic. During the year, project sensitized **48,000** women, men, adolescent Girls & Boys through awareness generation and capacity building activities and have also expanded its roots across 5 blocks of Korba district viz. Korba, Podi Uproda, Kartala, Pali and Katghora.

To bring about a sustained behavioral change, capacitated **400+** community members ranging from Adolescent boys & girls, SHG women and Frontline workers (AWW's & ASHA workers) through numerous trainings like Menstrual Health Management, leadership, Nukkad Natak and 'Stitch my own pad campaign' as ***Master trainers- Torchbearers cum leaders of change in the community***. 100% AWW's across 45 communities trained as MHM leaders and 137 trained at district level.

A cadre of barefoot soldiers, these trained adolescent youths have further formed 24 Shakti Saheli Mandals and Adolescent boys groups taking the total count to 100. 1500+ Adolescents actively engaging through these groups on the subject matter. Set of 15 Adolescent girls and boys trained on Nukkad Natak and are Spreading the word on menstrual health management across larger community, sensitizing 3800+ community members.

As a new step MHM Awareness sessions held at 20 (50% coverage) Block level Govt secondary & Higher secondary schools of Korba for creating MHM friendly environment. Promoting inclusivity, first ever (MHM) session with especially abled students at Divya Jyoti School, only government school in Korba for differently abled.

4 Swastha Suvidha Kendra as one stop solution Centre's for MHM, driven by adolescent leaders as a synergic platform for counselling and capacity building.1200+ community members benefitted this year through referral and assistance in availing government health services and schemes like Ayushman and Mukhya Mantri Slum Yojna etc.

BALCO Medical Centre

BALCO Medical Centre envisages a society where people are free from the menace of cancer. The BALCO Medical Centre (BMC), a 170-bed tertiary oncology facility - a flagship initiative of the Vedanta Medical Research Foundation (VMRF). Aims to bring ultra-modern, multi-modality diagnostic and therapeutic facilities within easy reach of India's population at an affordable cost. It is in Naya Raipur, Chhattisgarh, and patients from different parts of the country visit the centre. During the year, 10,071 people availed healthcare services from the hospital. Hospital also added another modern equipment LINAC-HALCYON, Radiotherapy machine for curative treatments. This is enabling hospital to cater to a larger number of people and make quality cancer care more accessible.

Support for Mobile Health Van

BALCO supported covid hit remote Lunglei district in Mizoram state with an Ambulance to cater to Covid and Emergency cases. The presence of the Ambulance is enabling people from remote areas in availing healthcare services on time, thereby raising the standard of healthcare delivery in the region.

WOMEN'S EMPOWERMENT

Unnati

The project focuses on strengthening women into Self Help Groups (SHGs) and develop their capacities and skills for entrepreneurship and sustainable livelihoods. During the year, 40+ new SHGs (Self Help Groups) formed, taking total to 500 SHGs involving 5389 women with 1800 women economically engaged. Established 7 microenterprise units with 12 products viz. Mural Art, Gonkra Folk Art, Clay Idols, Chattisa (local cuisine), Mushroom and Paper bags etc. to promote entrepreneurial opportunities for SHG women

On International Women's Day "Unnati Utsav" was zestfully celebrated with community women and adolescent girls and employees. The celebration was witnessed 500+ participants who showcased their enthusiastic participation in games and cultural events. Women also exhibited their entrepreneurship skills by setting up food stalls. 13 zealous community members were recognized and felicitated who had contributed immensely for the development of the community in the areas of entrepreneurship, bringing social change and community leadership for benefit of all.

COMMUNITY ASSETS CREATION

Community Infrastructure Development

Infrastructure development in the communities provides an opportunity to improve their quality of life. The intervention aims at addressing the infrastructural gaps in the socio-economic development of the communities with upgradation of the existing facilities. The activities of this year included renovation of community stages, creation of borewells for drinking water availability and road construction, cumulatively benefiting 7700+ community people.

EMPLOYEE ENGAGEMENT

At BALCO the socio-economic development of the community is of paramount importance. We are dedicated towards empowering the local community and establishing a connect between the community members and employees to establish a relationship based on 'trust'. The employee engagement initiatives act as a bridge to achieve this connect. During the year 500+ employees volunteered cumulatively for activities like:

- **Wish Tree Initiative**, gifts to the kids of the nearby communities, fulfilling their wishes.

- **Mentoring** – Taking classes of Students on various subjects under Connect.
- **Value Added Modules** – Taking soft skill building sessions in Vedanta Skill School.
- **Blood Donation Drive** - Highest contribution at district level.
- **Let's Do Ropai** – Sowing in the fields of farmers for transplantation of paddy
- **Rejuvenation Drive** for check dam and community Pond at Dondro village.
- **Science Mitras** – Mentored students from govt. schools for making science models.

SAFETY

In order to promote safety in communities, 52 safety trainings on Road, Fire & Home safety were organized reaching out to 1000+ community members & school children and students of Vedanta Skill School.

AWARDS

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

- Socio Corp CSR Film Festival & Awards- Best Healthcare Excellence CSR Film – "Sarika Dondro ki Nayi Kiran"
- 5th Edition ICC Social Impact Awards for 'Employment Enhancing Vocational Skills' for "Vedanta Skill School"
- Third India MHM Summit- Best CSR Initiative on MHM Award for Nayi Kiran Project
- Mahatma Award-CSR Excellence
- Appreciation Plaque by FICCI CSR Awards as "Socially Responsible Company" for Mor Jal Mor Maati Project
- SABERA in "Health, Nutrition & Wellbeing" for Community Health Initiatives
- Recognition by Chhattisgarh Govt for commendable work in HIV awareness & prevention
- Recognition by Chhattisgarh Govt for highest single day blood donations at District.

29. RISK MANAGEMENT

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

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

Formal discussion on risk management happens in business level review meetings at least twice in a year. Major risks identified by businesses and functions are systematically addressed through mitigating actions. Risk officers have also been formally nominated at operating businesses level, to develop the risk-management culture within the businesses. During the Financial Year ended on 31st March 2023, the risk management was discussed once in every quarter at the business level, and half-yearly with the Audit Committee, with briefing to the Board.

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

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

There have been no material change(s) and commitment(s), except elsewhere stated in this report, affecting the financial position of the Company between the end of the financial year of the Company i.e., March 31, 2023 and the date of this Report. There has been no change in the nature of business of the Company during the financial year ended on March 31, 2023.

31. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

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

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

33. OTHER DISCLOSURES

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

APPRECIATIONS AND ACKNOWLEDGMENTS

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

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

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

For and on behalf of the Board of Directors

	SK Roongta	**Rajesh Kumar**
	(DIN-00309302)	(DIN-09586370)
Dated: 20th April 2023	(Chairman)	(CEO & WTD)

Annexure A:

Annexure to Director's Report

A. CONSERVATION OF ENERGY:

a. Energy conservation measures taken:

- Various initiative taken, and trials conducted in Pot line to achieve the benchmarking parameter in pot lines.
  - Lowest ever specific power consumption of Pot line 2: 13,817 kwh/Mt.
  - Lowest ever specific net carbon consumption of Potline 2: 416 kg/Mt
  - Lowest ever Auxiliary power consumption of Potline 2: 480 Kwh/Mt
  - Lowest ever Auxiliary power consumption of BALCO: 701 MWH/day
  - Highest ever Current of BALCO: 335.7 KA and Potline-2: 342.4 KA
  - Lowest ever Dust emission of BALCO: 3.2 mg/nm3
  - Highest ever Pot life of BALCO: 2053 days
  - Zero FTP tripping in Potline 2.
  - Highest ever PTM availability of Potline 1: 95.20%.
  - Potline Roof light conversion into LED, Specific saving of 2.1 kwh/Mt and Lux level improved from 30 to 100.
  - Lowest ever BTAP TAT: 15 hrs 19 mins
  - Indigenous development of LCM shaft with saving of 35 lac against OEM prices
  - Highest ever zero level bath (11,458.50 MT) recovery
  - Highest ever SPL Selloff: 21,721 MT.

Key Projects-

  - 100% graphitised pots installation-114 no in FY 23.
  - Aux reduction by Conversion of HP Compressor to LP Compressor
  - Process Optimization
  - Pot controller parameter optimization
- Various initiative taken, and trials conducted in Power Plant to achieve the benchmarking parameter
  - U#4 300 MW replacement of Turbine HIP rotor
  - U#3 135 MW Turbine HIP rotor refurbishment and capital overhauling
  - CPP 540 MW U#3 and U#2 Condenser tube replacement
  - CPP 540 MW U#3 and U#2 CT fills replacement
  - CEP VFD Installation in CPP 540MW
  - Installation of Side Stream Filters in 1200 MW plant.

b. Additional Investment

- Aux Power reduction by Conversion of HP Compressor to LP Compressor involved a Capex of ₹ 94 Lacs

c. Recognition and system implementation for energy Improvements.

- CII National Energy Leader Award, Metal Sector 2022.
- Recognized as Excellent Energy Efficient unit for third time consecutively by CII.
- Top performer Designated Consumer for Aluminium Sector of PAT Cycle-II under National Mission for Enhanced Energy Efficiency (NMEEE)
- Manufacturing Today Award in the category -Reinventing the Future 2022

Excludes capitalised quantity

Sl. No.	Particular	Unit	2022-23	2021-22
1	**Hot Metal**			
i	Electricity	Kwh / MT	13,713	13,647
2	**Propenzi Rod (Including Alloy Rods)**			
i	Electricity	Kwh / MT	130	121
ii	Funance Oil	Ltr / MT	5	2
3	**Ingots**			
i	Electricity	Kwh / MT	34	29
ii	Funance Oil	Ltr / MT	8	5
4	**Rolled Product**			
i	Electricity	Kwh / MT	1,169	798
ii	Funance Oil	Ltr / MT	122	102

Sl. No.	Particular	Unit	2022-23	2021-22
1	**Units**	M. KWH	7,649	9,741
	Total Amount	₹ in Crs	3,793	2,673
	Average Rate	₹/KWH	5	3
2	**Coal (Used in Boiler House)**			
	Quantity	MT	61,34,385	77,60,731
	Total Amount	₹ in Crs	3,240	2,249
	Average Rate	₹/MT	5,282	2,897
3	**Furnace Oil & Light Diesel Oil**			
	Quantity	KL	3,403	10,237
	Total Amount	₹ in Crs	34	53
	Average Rate	₹/KL	98,806	51,360

B. TECHNOLOGY ABSORPTION

FORM B

Research and Development (R&D)

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

- Detoxification of SPL through outside party. 21,721 MT SPL Sold in FY 23.
- Anti-Oxidant Anode Coating without any additives trail being taken in FY 23 to reduce NCC.
- Potline Roof light conversion into LED, Specific saving of 2.1 kwh/Mt and Lux level improved from 30 to 100.

b) Benefits derived as result of R&D:

- Aux Power reduction by Conversion of HP Compressor to LP Compressor.
  Gain: 715 MWH/day to 701 MWH/day.
- 100% graphitised pots installation-114 no in the benefit of 24 kwh/Mt in entire pot line is derived.

c) Future plan of action:

- Pot line:
  - i. Replacement of Old generation compressor with New generation compressor with capacity enhancement.
  - ii. Increase Anode slot height 237 to 350 mm-Saving 70 KWH/MT. Capex- $3.4 Mn, Savings -$1.6 Mn/ annum. Payback – 2.1 years
  - iii. 100% graphitized pots relining planned in FY23
  - iv. Reduction in Anode Stem Drop by Advanced LASER cleaning technology, 5 mv reduction. 200 Anodes Trial completed
  - v. New AlF_3 Addition logic under development by RIPIK & COE team
  - vi. Further optimization on energy consumption with various trials of energy savings cathode

from BALCO pot relining design, DC power consumption less than 12,300 Kwh/MT.

vii. Increase in pot line current by 0.5 KA – Increase in Metal production.

viii. Online roof top emission monitoring device installation-fluoride emission monitoring to reduce emission and reduction in Alf_3 consumption.

- Carbon:

i. Uses of Fuel grade CPC by 10% blending with anode grade CPC. Trail under process, potential saving ₹ 72Cr/Y at full scale production from Q1 FY 24.

ii. Reduction in specific power consumption by 5mV by design change of existing stub hole former in GAP, potential saving ₹ 1.96Cr/Y from Q2 FY 24.

iii. Increment in height of slot former plate to reduce the power consumption, potential saving ₹ 1Cr/Y from Q1 FY 24.

iv. LASER cleaning of rod to reduce the voltage drop by 5mV, potential saving ₹ 4.3Cr/Y from Q4 FY 24.

v. Trial of LSHS to replace HFO is done in Carbon & Cast House. Complete replacement of HFO with LSHS for entire HMA will be done till H1 FY 24 resulting in SOx emission reduction by 75%.

- Power:

i. Installation of Low Nox burner in 540 MW unit.

ii. Efficiency improvement and capacity enhancement of 135 and 300 MW units.

iii. U#1 300 MW unit turbine HIP rotor replacement

iv. CT fills replacement in 1200 MW units.

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

₹ in Cr.

Particular	FY 23	FY 22
Capital Expenditure	-	-
Recurring Expenses	2.08	1.71
Total Expenditure	2.08	1.71
R&D Expenditure as a % of total turnover	0.02%	0.01%

e) Technology absorption, adaptation, and innovation

i. Efforts made for technology absorption.

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

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

Total foreign exchange used and earned during FY 23 is as below:

Foreign exchange earnings: ₹ 3,985 Cr.

Foreign exchange outflow: ₹ 5,376 Cr.

Annexure B:

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
Bharat Aluminium Co Ltd

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Aluminium Co Ltd** (hereinafter called "**Company**") for the financial year ended March 31, 2023 ["**Audit Period**"] in terms of the engagement letter dated November 4, 2022. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

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

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

1. The Companies Act, 2013 ('Act') and the rules made thereunder including any re-enactment thereof;
2. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
4. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:

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

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

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws except that there are two government nominees appointed during the Audit Period. As per the understanding and practice of the Company, the government nominees are appointed on the Board as per the executed Shareholders Agreement directly upon receipt of order letter from the Ministry of Mines. Noting of such appointment is made in the immediate next meeting of the Nomination and Remuneration Committee (NRC) and Board meeting. We have recommended the Company to route any appointment of directors through NRC, Board and approval from the shareholders as required under clause (2) and (6)(a)(ii) of section 152 of the Act.

We observe that during the Audit Period, there were only two directors liable to retire by rotation and one of them being longest in office, retired at the annual general meeting and being eligible offered himself for re-appointment and was reappointed on the Board. The

Company has a practice of not considering government nominee directors in the category of directors retiring by rotation. We have recommended to the Company to include the government nominees as well for the calculation of total number of directors liable to retire by rotation pursuant to section 152(6)(d) and explanation thereof.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meeting(s) convened at shorter notice with due compliance of Act and SS-1. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the Audit Period, the Company has undertaken the below mentioned specific event/ action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards, etc:

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

During the Audit Period, the Board has, at its meeting held on February 2, 2023, accorded approval for procurement of renewable power under the group captive scheme and to infuse ₹245 crore in the form of equity investment (without any economic benefit) of 26% in SPV by the Company in partnership with Serentica Renewables India Private Limited ("SRIPL") and to enter into a Power Delivery Agreement ("PDA") for a period of 25 (twenty-five) years.

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

Nitu Poddar
Partner
Membership No.: A37398
CP No.:15113

Place: New Delhi UDIN: A037398D000161346
Date: April 13, 2023 Peer Review Certificate No.: 781/2020

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

Annexure I to Secretarial Audit Report

Auditor and Management Responsibility

To,
The Members,
Bharat Aluminium Co. Ltd.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Given the challenges and limitations posed by Covid-19, lockdown restrictions (wherever applicable), as well as considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;
7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II

List of Documents

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

Annexure C:

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief Outline on the CSR Policy of the Company

Bharat Aluminium Company Limited firmly believes in the coexistence of business and communities and is committed to the development of an eco-system of prosperity in the society around operations. As a responsible corporate citizen, we aim "To empower and support communities specially neighbourhood communities in achieving greater economic and social well-being". As part of our CSR policy, we believe in partnering with government agencies, development organisations, corporates, civil societies & community-based organisations to implement long term sustainable initiatives.

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

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

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

The detailed CSR Policy of the Company is available on Company's website at: CSR Policy 19th May 2021.pdf(d2z1l9uefzbzxd.cloudfront.net)

2. The composition of CSR Committee is as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. S.K. Roongta*	Chairman, Independent Director	1	1
2	Mr. Rajesh Kumar**	Member, CEO & Whole Time Director	1	0
3	Ms. Nirupama Kotru	Member, Government Nominee Director	1	1
4	Dr. Anoop Kumar Mittal**	Independent Director	1	0

*Mr. S K Roongta was inducted as Chairman of the CSR Committee w.e.f. 14th July 2022 post resignation of Mr. Arun Todarwal from the directorship of the Company.

**Dr Anoop Kumar Mittal and Mr. Rajesh Kumar became members of the CSR Committee w.e.f. 19th Oct '22 and 15th Feb '23 respectively.

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

Composition of CSR Committee- https://www.balcoindia.com/about-us/balco-team/composition-of-committees-of-board/

CSR Policy- https://d2z1l9uefzbzxd.cloudfront.net/wp-content/uploads/2023/03/CSR_Policy_19th_May_2021.pdf

CSR projects approved by Board - https://www.balcoindia.com/csr/annual-action-plan/

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

The Executive Summary of the Impact Assessment of the CSR projects is given below:

During the financial year, the company conducted Impact Assessment Study as per its CSR Policy through a third party i.e., KPMG Assurance and Consulting Services LLP, to assess the impact generated through its flagship initiatives Mor Jal Mor Maati, Vedanta Skill School, Unnati, Nayi Kiran, Arogya, Mobile Health Van and Balco Medical Centre and Connect. The study used the OECD DAC framework to assess the growth and impact of the programs covering a sample of 410 across Korba & Raipur district in Chhattisgarh.

Executive Summary as follows:

Sustainable Livelihoods

Mor Jal Mor Maati

- **Improved income & yield** - The programme has supported farmers through dissemination of scientific knowledge. 78% of the respondents reported to have an improved income due to better crop yield. 21% respondents felt reduction in input costs. 50% farmers have adopted scientific and sustainable agricultural practice.
- **Enhancement of Food Security** - 37% of farmers also reported an enhancement in food security which is a positive trend considering the multidimensional poverty index of Chhattisgarh. Also, there is enhanced food consumption in the region through improvement in production thereby making it a sustainable model. Paddy was the main crop cultivated in the district prior to any interventions. However, with the intervention, paddy and vegetables became the district's primary crops.
- **Strategic Initiative** - The improvement in the overall livelihood includes looking at sustainability parameters such as climate resilient agriculture practices, income diversification, just transition, linking natural resource management with income generation activities etc. Hence, this creates potential for various strategic initiatives to emerge and integrate themselves with the existing project. Development of Farmer Producer Organization brings a sustainable angle to the project.
- **Right investments** - BALCO has made investments in the right direction in terms of introducing micro irrigation practices, SRI technique as well as capacity building of farmers increasing entrepreneurial options & better infra support. It's support in convergence with government initiatives is helping in bringing the ecosystem change.
- **Reduction in migration** - Created more opportunities for farmers by diversifying the traditional farming methods and livelihood opportunities through NTFP (lac cultivation), organic farming, commercial fish farming. Around 29% of respondents perceived that the project has reduced outward migration.

Vedanta Skill School

- **Enhanced Employability** – Candidates who attended trainings received placement opportunity, career counselling and were provided training certificates as well. 68% of the trainees were able to retain their jobs. The Skill School thus plays a pivotal role in addressing the unemployment. This reflects that the training program has been able to deliver optimum results.
- **Social Strengthening** - Around 48% respondents reported an increase in confidence and self-esteem whereas 30% respondents have an improved social support network.

Women's Empowerment

Unnati

- **Overall development** - The project has been successful in providing the women with a regular source of income, collective voice and has improved their self-esteem. 67% respondents said that the impact of project interventions has helped them in improved decision making. Through the Unnati programme, the business can enhance the economic empowerment of women in the field locations which in turn has an impact on their, savings and access to financial services etc.
- **First in the region** - It was observed that the beneficiaries did not have access to any other similar comprehensive enterprise-based livelihood project in the region before the introduction of Unnati.
- **Convergences** - The project has found wide acceptance in the district administration and is also supported by National Rural Livelihood Mission.

Health

Nayi Kiran

- **Comprehensive approach** - The project focusing on building awareness, lot of sensitisation workshops and street plays are organised which has created a generational shift in mindset of people and built awareness regarding menstrual hygiene practices. A significant level of awareness about hygiene and waste disposal mechanism was also identified.
- **Giving voice** - Study noted that, women and girls in Korba are very vocal while talking about menstruation related practices. They did not have inhibitions unlike other parts of the country especially in rural spaces, where there are a lot of stigmas attached to menstruation.
- **Change in practices** - As per study, 67% of respondents in Korba have been using sanitary napkins which reflects a significant shift towards the usage of sanitary napkins whereas 17% of them are using cloth instead of napkins.

Arogya

- **Access to Healthcare Services through Rural Health Posts** - 69% of the respondents are accessing heath care services twice a month which reflects that there is access to services on a regular basis through Rural Health Posts.
- **Enhanced Maternal & Child Heath** - 77% of respondents said that there has been an improvement in access to supplements for children and pregnant women in the household. 69% of respondents said that the project interventions have increased their families access to institutional delivery.
- **Improved awareness & Accessibility** - 65% of beneficiaries believe that there has been an increase in awareness & around 91% of the beneficiaries reported an improved access to and timely availability of healthcare services. Project has made primary health care services affordable and increase awareness towards HIV, Maternal & Child health. Also, it has been positively contributing to the state health department's campaigns around HIV AIDS, Tuberculosis, COVID Vaccination and so on.
- **Reduction in Out-of-pocket expenditure** – 60% of Household spend less than ₹ 5000 on health annually, hence the out-of-pocket expenditure has reduced among the respondents due to lack of services being availed through existing private health infrastructure.

Mobile Health Van

- **Reaching the last person** - 91% of the respondents said that the Mobile Health vans have improved access and timely availability to healthcare services. 69% of respondents pointed out that availability of medicines has increased. 62% respondents said that the frequency of visits for healthcare services has also become more regularised.
- **Bridging the gap** - The mobile health unit has certainly helped in bridging the gap of accessibility by providing doorstep services.
- **Sustainable elements** - When it comes to individual beneficiaries of the program, the impact created by the mobile health van can be gauged as sustainable. Moreover, the program is making healthcare services accessible as well as improving health of the community. The program helps in creating awareness amongst the community members regarding prevalent diseases.

BALCO Medical Centre

- **Expansive reach** - BMC expanded its footprint in the area of cancer screening and early detection in big away, recognizing it as one of the most critical area that can help reduce cancer burden. A MoU was signed with National Health Mission (Chhattisgarh Government), where together, weekly focused cancer screening camps were conducted across the state. The combined strengths of government and BMC were leveraged to make these camps hugely successful.
- **Convergences** - 70% patients are Ayushman Bharat scheme beneficiaries which shows great convergence.

Education

Connect

- **Improving learning environment** – Quality learning is a challenge in rural areas especially in higher classes which leads to more expenditure on coaching and tutors. The project helps in bridging that gap through employee volunteerism and providing capacity building to teachers so that the additional expenditure on education is reduced. Around 64% of the respondents also had access to digital literacy skills and were using tools for the same
- **Yielding results** - Passing percentage of children according to 66% of the households and has further supported 21% households in decreasing their monthly expenditure on education.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ **1732.30 Cr**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ **34.65 Cr**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**

(d) Amount required to be set-off for the financial year, if any: ₹ **34.65 Cr.**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **NIL**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **23.45 Cr**

(b) Amount spent in Administrative Overheads: ₹ **0.87 Cr**

(c) Amount spent on Impact Assessment, if applicable: ₹ **0.21 Cr**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ **24.53 Cr**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
24.53 Cr	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set-off, if any: ₹ **24.53 Cr.**

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Amount of surplus contribution being carried forward from previous years	72.94 Cr.
(ii)	Two percent of average net profit of the company as per sub-section (5) of section 135	34.65 Cr.
(iii)	Total amount spent for the Financial Year	24.53 Cr.
(iv)	Excess amount spent for the Financial Year [(i)+(ii)-(iii)]	62.88 Cr.
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(vi)	Amount available for set off in succeeding Financial Years [(iv)-(v)]	62.88 Cr.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NIL

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
1	FY-22	NA	NA	NA	NA	NA	NA	NA
2	FY- 21	NA	NA	NA	NA	NA	NA	NA
3	FY-20	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes ● No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
NA	NA	NA	NA	NA	CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

Sd/-
(Chief Executive Officer or Managing Director or Director).

Sd/-
(Chairman CSR Committee).

-
[Person specified under clause (d) of subsection (1) of section 380] (Wherever applicable).".

Annexure D:

Nomination Policy

1. Legal Framework & Objective

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

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

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

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

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

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

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

2. Definitions:

a. Board means Board of Directors of the Company.

b. Committee means the Nomination & Remuneration Committee

c. Directors mean Directors of the Company.

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

e. Key Managerial Personnel (KMP) means: -

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

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

3. Composition and Chairmanship

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

4. Appointment and removal of Director & KMP:

The Committee shall evaluate the balance of knowledge, skill, professional & functional expertise, industry orientation, gender, age etc. on the Board and, in the light of this evaluation, prepare and recommend to the Board, a description of the role and capabilities required for a particular appointment. In case of Directors, and KMPs, in addition to the above specifications the NRC shall ensure that the potential candidates possess the requisite qualifications and attributes as per the Applicable Laws. With respect to removal of any Director and KMP, the NRC shall in consultation with either the Chairman, other Directors or CEO (as appropriate), review the performance and/or other factors meriting a removal and subject to the provisions of the applicable Laws and the Articles of Association of the Company, recommend to the Board its course of action.

5. Board Familiarization and learning:

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

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

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

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

a. Performance of the directors; and

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

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

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

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

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

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

7. Board Diversity:

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

8. Succession Planning:

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

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

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

REMUNERATION POLICY

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

Guiding Principles of the Executive compensation program are:

- <u>Alignment with Business Strategy and Level of Responsibility & Impact:</u> As employees progress to higher levels in the organisation, their performance has a greater direct impact on the strategic initiatives and business results.
- <u>Fixed/ Base Salary Decisions:</u> The Executives' fixed salary shall be competitive and based

upon the industry practice and benchmarks considering the skill & knowledge, experience, and job responsibilities.

- Pay-for-Performance: A large portion of each Executive's total compensation is linked to the achievement of Company and individual performance goals. Such variable compensation is "at risk", and rewards performance and contributions to both short-term and long-term financial performance of the Company.
  - Performance Bonus Plan: The Performance Bonus Plan rewards contribution to the achievement of the Company's annual financial, strategic, and operational goals and individual KRAs. The Performance Bonus drives high performance culture to achieve the organisation's objectives by differentiating rewards based on performance. The performance will be related to the fulfilment of various targets and attainment of business objectives, both at the Company and individual level.
  - Short/Long Term Incentives: Executives' compensation is linked to long-term stock price appreciation, and shareholder value creation through the Company's Long- term Incentives (LTI) plan. The LTI Plan balances Executives' performance orientation and decisions to deliver on the short-term business outcomes with the long-term performance of the Company, both on financial and non-financial parameters.
- Competitive in Market place: We compete for talent globally. In order to attract and retain a highly skilled workforce, we must remain competitive with the pay of other employers who compete with us for talent.

Remuneration to Non-Executive / Independent Director

a) Sitting Fees

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

b) Stock Options

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

c) Yearly Fee/Commission

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

Interpretation

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

Amendments in Law

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

Report on Corporate Governance

Company's Governance Philosophy

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

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

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

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

Compliance with Corporate Governance Guidelines

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

Role of the Company Secretary in overall Governance Process

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

THE BOARD OF DIRECTORS

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

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

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

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

The Board currently comprises of 8 (eight) Directors comprising of 1 (one) Non-Executive, Non-Independent Director, 1 (one) Executive & Whole Time Director, 3 (three) GOI Nominee Director and remaining 3 (three) are Independent Directors. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Act. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors on the Company's Board is a member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on March 31st, 2023.

Director's Profile

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

Chairman and other Key Managerial Personnel (KMP's)

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

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

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

Board Meetings

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

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

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

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

Number of Board Meetings

Seven (7) Board meetings were held during the financial year as against the statutory requirement of four meetings. All Directors have demonstrated high levels of availability and responsiveness for additional meetings and discussions whenever these have been required. The maximum gap between any two meetings was not more than one hundred and twenty (120) days.

Table1: Details of attendance at Board Meeting:

Date	Board Strength	No of Directors present
21st April 2022	8	6
21st July 2022	7	5
19th October 2022	7	5
11th November 2022	8	7
16th January 2023	9	9
02nd February 2023	9	9
15th February 2023	9	8

Attendance and Directorships Held

Composition of the Board, other Directorship(s)/Committee Membership(s)/ Chairmanship(s) as on 31st March 2023 and attendance of directors at Board Meetings, Last Annual General Meeting (AGM) are as given in Table 1.

S.N	Full Name	Category	Relationship with Other Director	DIN	No. of Board Meeting Held During His/Her tenure and attended in 2022-23		Whether Attended Last AGM	No. Of Directorship in Public Companies#	No.of committee Position held@	
					Held	Attended			Chairman	Member
1	Mr. S. K. Roongta[1]	ID & NED	None	00309302	7	7	No	9	6	13
2	Mr. Tarun Jain	NED	None	00006843	7	6	No	1	-	2
3	Mr. Rajesh Kumar[2]	ED	None	09586370	0	0	No	1	-	-
4	Mr. Abhijit Pati[2]	ED	None	08457230	7	7	Yes	-	-	-
5	Mr.A. K. Mittal[3]	ID & NED	None	05177010	4	4	No	6	-	8
6	Mr. D. D. Jalan	ID & NED	None	00006882	7	7	Yes	4	3	4
7	Mr. Arun Todarwal[4]	ID & NED	None	00020916	1	1	Yes	6	-	-
8	Mr. Mustaq Ahmad[5]	ND	None	08630622	7	4	No	-	-	-
9	Ms. Farida M Naik[6]	ND	None	07612050	4	4	No	3	-	1
10	Ms. Nirupama Kotru	ND	None	09204338	7	5	No	2	-	1
11	Mr. Sanjeev Verma[7]	ND	None	08836996	3	2	No	2	-	-
12	Mr. Shakil Alam[8]	ND	None	09272903	3	2	No	1	-	-

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

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

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

[1] Designated as Independent Director w.e.f. 14th July 2022.

[2] Mr. Rajesh Kumar was appointed as CEO and Whole Time Director in place of Mr. Abhijit Pati w.e.f. 15th February 2023.

[3] Mr. A K Mittal was appointed as Independent Director w.e.f. 19th October 2022

[4] Mr. Arun Todarwal ceased to be Independent Director w.e.f. 30th June 2022

[5] Mr. Mustaq Ahmad ceased to be a Gov. Nominee Director w.e.f. 27th March 2023.

[6] Ms. Farida Naik was appointed as Gov. Nominee Director w.e.f. 21st November 2022.

[7] Mr. Sanjeev Verma was appointed as Gov. Nominee Director we.f. 26th December 2022.

[8] Mr. Shakil Alam ceased to be a Gov. Nominee Director w.e.f. 19th November 2022.

Flow of information to the Board:

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

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

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

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

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

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

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

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

Remuneration to Directors

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

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

Remuneration to Executive Director

The remuneration of the Chief Executive Officer and Whole Time Director is in consensus with the Company's size, industry practice and overall performance of the Company. The Nomination and Remuneration Committee submits its recommendation to the Board, which after considering the recommendation takes decision on the remuneration payable to the CEO and Whole Time Director in accordance with the provisions of the Companies Act, 2013.

For FY 2023, the total remuneration is as shown in Table 2A and Table 2B.

Table 2 A: Sitting fee and Commission paid to Directors (NED & ID) for FY 2023 (in ₹)

Name	Category	Sitting Fees Paid	Commission Paid	Total Payment paid/ payable (FY 2022-23)
Mr. S K Roongta	ID & NED	5,75,000	16,00,000	21,75,000
Mr. D.D. Jalan	ID & NED	5,75,000	15,49,000	21,24,000
Mr. Arun Todarwal[1]	ID & NED	1,25,000	3,27,000	4,52,000
Mr. A. K. Mittal[2]	ID & NED	2,00,000	6,37,000	8,37,000
Mr. Tarun Jain	NED	4,75,000	13,13,000	17,88,000

1 Ceased as Director due to resignation on 30th June 2022

2 Appointed as Director w.e.f. 19th October 2022

Table 2 B: Remuneration paid to Executive Directors for FY 2023 (in ₹ Lakh)

Name of Director	Category	Salary, perquisite & other	Stock Option	Total
Mr. Abhijit Pati	Ex-CEO & WTD	410.72	122.73	533.45
Mr. Rajesh Kumar	CEO & WTD	21.33	0.41	21.74

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

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

During FY 2023, the Company did not advance any loan to any of its directors.

Selection / Appointment procedure

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

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

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a Public Limited Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

Board Independence

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

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

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

Separate Independent Directors' Meetings

Independent Directors play a crucial role in ensuring an efficient and transparent work environment, hence all the Independent Directors of the Company separately met once during FY 23 without the presence of any of non-independent directors and/or any of the members of the management on 22nd March 2023 inter alia to:

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

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

Director's Induction and Familiarisation

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

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

Director Retiring by Rotation

In accordance with the provisions of Act and the Articles of Association of the Company, Mr. Tarun Jain (DIN-00006843) would retire in the upcoming AGM and being eligible, is retiring by rotation and has offered himself for re-appointment. The Board has recommended his re-appointment.

COMMITTEES OF THE BOARD

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

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

1. Audit Committee

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

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

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

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

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

The time gap between any two meetings was less than four months. The Committee met 5 (five) times on 21st April 2022, 21st July 2022, 19th October 2022, 16th January 2023 and 02nd February 2023. The details of the Audit Committee are given in Table 3.

Table 3: Attendance Record of Audit Committee meeting

Name of Member	Position	Status	No. of Meeting held	No. of Meeting held	Sitting Fees(₹)
Mr. D. D. Jalan	Chairman	ID & NED	5	5	1,25,000
Mr. Tarun Jain	Member	NED	5	5	1,25,000
Mr. Arun Todarwal[1]	Member	ID & NED	1	1	25,000
Mr. S. K. Roongta[2]	Member	ID & NED	4	4	1,00,000

[1] Ceased to be a member due to resignation on 30th June 2022

[2] Inducted as a member subsequent to re-designation as Independent Director w.e.f. 14th July 2022

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommending to the Board, the appointment, re- appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- Approval of payment to statutory auditors for any other services rendered by them
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgement by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Approval of related party transactions
  - Qualifications if any in the draft statutory auditor report
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the Internal Control Systems
- Reviewing the adequacy of Internal Audit plan
- Discussion with internal auditors on any significant findings and follow up thereof
- Reviewing the findings of an internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern
- To investigate the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors, if any
- Reviewing the functioning of the whistle-blower mechanism
- Appointment of the Chief Financial Officer of the Company
- Carrying out any other function, as is mentioned in the terms of reference of the Audit Committee

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

- Management Discussion and Analysis of Financial Condition and Result of Operations.
- Statement of Significant Related Party Transactions (as defined by the Audit Committee) submitted by the management.
- Internal Control Weakness as identified by Statutory Auditors.
- Internal Auditor Report relating to Internal Control Weaknesses.

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

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

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

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

2. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee was comprising Mr. Arun Todarwal as the Chairman, Mr. S K Roongta and Mr. Abhijit Pati and Ms. Nirupama Kotru as the Members of the Committee till 30th June 2022. Due to the cessation of the Directorship of Mr. Arun Todarwal, the formation of the committee changed. Mr. S. K. Roongta was appointed as Chairman of the CSR Committee. Further, Mr. A. K. Mittal an Independent Director joined BALCO's Board and CSR Committee as a member on 19th October 2022. Further, pursuant to the resignation of Mr. Abhijit Pati from the office of the CEO & WTD of the Company and the appointment of Mr. Rajesh Kumar as the CEO and WTD, w.e.f. 15th February 2023, Mr. Rajesh Kumar replaced Mr. Abhijit Pati as a member of the Committee.

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

The detailed terms of reference of the Corporate Social Responsibility Committee are contained in the 'CSR Policy' which is available on the website of the Company at CSR Policy 19th May 2021.pdf (d2z1l9uefzbzxd.cloudfront.net)

During the financial year ended 31st March 2023, the Committee met one (1) time on 21st April 2022.

Table 4: Attendance Record of Corporate Social Responsibility Committee meeting:

Name of Member	Position	Status	No. of Meeting held	No. of Meeting Attended	Sitting Fees (₹)
Mr. Arun Todarwal[1]	Chairman	ID & NED	1	1	25,000
Mr. S K Roongta[2]	Member (till 14.07.22) Chairman (w.e.f. 14.07.22)	ID & NED	1	1	25,000
Mr. Abhijit Pati[3]	Member	CEO & WTD	1	1	-
Mr. Rajesh Kumar[3]	Member	CEO & WTD	-	-	-
Mr. A K Mittal[4]	Member	ID & NED	-	-	-
Ms. Nirupama Kotru	Member	Govt. Director	1	1	-

[1] Ceased as a member on 30th June 2022

[2] Inducted as Chairman on 14th July 2022

[3] Mr. Rajesh Kumar inducted as member in place of Mr. Abhijit Pati w.e.f. 15th February 2023.

[4] Inducted as Member on 19th October 2022

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

During the financial year, the Company has spent ₹ 24.53 Crore on CSR activities.

The Company has conducted a third-party Impact Assessment for its CSR Projects as required under the CSR Policy. The Impact Assessment Report was placed before the CSR Committee and the Board of Directors for their approval. An Executive Summary of the Impact Assessment Report forms part of the Annual Report on CSR Activities for FY 23.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised Mr. D. D. Jalan as the Chairman, Mr. S K Roongta and Mr. Arun Todarwal as the Members of the Committee till 30th June 2022. Due to the cessation of the Directorship of Mr. Arun Todarwal, the formation of the committee changed. Mr. Tarun Jain was inducted as a member of the NRC Committee.

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

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

During the year, the Nomination and Remuneration Committee met four (4) times on 21st April 2022, 19th October 2022, 22nd November 2022 and 15th February 2023. The details of Nomination and Remuneration Committee are given in Table 5.

Table 5: Attendance Record of Nomination and Remuneration Committee Meeting:

Name of Member	Position	Status	No. of Meeting held	No. of Meeting Attended	Sitting Fees (₹)
Mr. D. D. Jalan	Chairman	ID & NED	4	4	1,00,000
Mr. S K Roongta	Member	NED	4	4	1,00,000
Mr. Arun Todarwal[1]	Member	ID & NED	1	1	25,000
Mr. Tarun Jain[2]	Member	NED	3	2	50,000

[1] Ceased as a member on 30th June 2022

[2] Inducted as a member on 14th July 2022

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

4. Finance Standing Committee

The Finance Standing Committee (FSC) of Directors is entrusted with the responsibility to consider and approve the finance and treasury-related proposal within the overall limits approved by the Board. The Committee comprises Mr. Tarun Jain as Chairman and Mr. Abhijit Pati as CEO and Whole Time Director till 15th February 2023. Due to the cessation of the Directorship of Mr. Abhijit Pati, the formation of the committee changed. Mr. Rajesh Kumar was inducted as a member of the Finance Standing Committee w.e.f. 15th February 2023. The Committee meets as and when required.

BOARD EVALUATION

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

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

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

SUCCESSION PLANNING

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

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

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

FY ended on	Date	Time	Venue	Special Resolution passed
31st March 2022	27th June 2022	03:30 PM	Through video conferencing ("VC")	-
31st March 2021	17th September 2021		Through video conferencing ("VC")	-
31st March 2020	26th August 2020	03:00 PM	Through video conferencing ("VC")	Appointment of Mr. Abhijit Pati as Whole Time Director of the Company

The 57th Annual General Meeting of the members of the Company will be on Tuesday 27th June 2023, at 3:30 P.M, through video conferencing ("VC") / other audio-visual means ("OAVM") pursuant to the MCA Circular dated December 28, 2022 and as such there is no requirement to have a venue for the AGM.

GOVERNANCE AND COMPLIANCE

I. Code of Business Conduct & Ethics

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

II. Whistle Blower Policy

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

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

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

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

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

III. Internal Control System

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

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

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

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

IV. Risk Mitigation Plan

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

V. Compliance

Our compliance systems cover a multitude of statutory obligations and ensures adherence to all applicable laws and regulations. During FY 2023, no material and uncontested financial or non-monetary sanctions were imposed upon the Company except as disclosed in the Financial Statements. Some of the key compliance aspects are dealt with below:

(a) Disclosure of Related Party Transaction:

Pursuant to Section 188 of the Companies Act, 2013, all the Related Party Transactions were at arm's length price and in ordinary course of business. All transactions with the Related Parties were duly approved by the Audit Committee.

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

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

(c) CEO & CFO Certificate:

The CEO and CFO certification of the Financial Statements for FY 23 is enclosed at the end of this report. **(Annexure-1)**

Shareholding Pattern by Ownership as on 31st March, 2023

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

Annexure-I CEO & CFO Certification

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

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

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

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

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

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

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

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

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

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

Rajesh Kumar
Chief Executive Officer & WTD

Amit Gupta
Chief Financial Officer

Place: New Delhi
Date: 20th April 2023

Operations

I. Korba

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

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

III. Coal Mines at Chotia and Barra

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

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bharat Aluminium Company Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

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

   (g) In our opinion, to the best of our information and according to the explanations given to us, and as more fully described in Note 32 to these financial statements:

   - Remuneration paid to an erstwhile whole-time director (who ceased to be a whole-time director with effect from February 15, 2023) is in excess of the limits prescribed under section 197 of the Act, read with Schedule V thereto, by ₹ 3.77 crores. The waiver of recovery of excess remuneration is pending approval from the shareholders of the company in the ensuing Annual General Meeting.
   - A whole-time director was appointed by the Board of Directors with effect from February 15, 2023. The terms and conditions of the appointment and remuneration have been approved by the Board of Directors and is pending approval of the shareholders of the Company. Pending the approval of quantum of remuneration, we are not in a position to comment on compliance with Section 197 of the Act.

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

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

   ii. The Company 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.

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

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

   c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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

   vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

per Bhaswar Sarkar
Partner
Membership Number: 055596
UDIN: 23055596BGYFRS5196
Place of Signature: Kolkata
Date: April 20, 2023

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

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

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

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

(b) All property, plant and equipment were physically verified by the management during the financial year 2020-2021 in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations provided to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements have been duly executed in favour of the Company) disclosed in note 4 to the financial statements are held in the name of the Company except for 1 immovable property mentioned below for which title deed has not been made available to us. Consequently, we are unable to comment on the same.

Description of Property	Gross carrying value- as at March 31, 2023 ₹ In Crs.	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of Company, Also indicate if in dispute
Land	3.60	National Thermal Power Corporation Ltd (NTPC)	No	Since 20th June 2002, as informed by management	206.18 acres of freeholds land transferred to the Company by NTPC is yet to be registered in favour of the Company due to non-availability of title deeds from NTPC. 'In this matter, arbitration was held where the Ld. Arbitrator passed the award in favour of the Company but directed that transfer of title deeds of land will be effected by the Central Government with the assistance of State Government. The Company has filed a petition before the Hon'ble Delhi High Court for transfer of title.

(d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

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

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

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

(iii) (a) According to the information and explanations provided to us, during the year the Company has made investments and granted loans to other parties. The Company has not provided guarantees or securities to companies, firms, limited liability partnerships or any other parties during the year.

(b) According to the information and explanations provided to us, during the year the investments made to company and loans given are not prejudicial to the Company's interest. Also, during the year the Company has not provided guarantees, security to companies, firms, limited liability partnerships or any other parties.

(c) According to the information and explanations provided to us, the Company has granted loans during the year to any other parties where the schedule of repayment of principal has been stipulated and the repayment or receipts are regular.

(d) According to the information and explanations provided to us, there are no amounts of loans granted to any other parties which are overdue for more than ninety days.

(e) According to the information and explanations provided to us, there were no loans granted to any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanations provided to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Therefore, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.

(iv) According to the information and explanations provided to us, loans, investments, guarantees and security in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

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

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

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

(b) According to the records of the Company, dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute are as set out in the attached Annexure 1 (a) together with relevant details.

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

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

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

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

(d) According to the information and explanations provided to us, on an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis in the form of working capital, short term borrowings from banks and current liabilities aggregating to ₹ 1,773.08 Crores for long term purposes representing acquisition of property plant and equipment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

per Bhaswar Sarkar
Partner
Membership Number: 055596
UDIN: 23055596BGYFRS5196
Place of Signature: Kolkata
Date: April 20, 2023

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

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

We have audited the internal financial controls with reference to financial statements of Bharat Aluminium Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Bhaswar Sarkar
Partner
Membership Number: 055596
UDIN: 23055596BGYFRS5196
Place of Signature: Kolkata
Date: April 20, 2023

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

Name of the statute	Nature of the dues	Amount (Rs in Crs)	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest (Rs in Crs)
The Mines and Minerals (Development and Regulation) Act	Penalty on excess extraction from bauxite mines	45.00	2007-08 2008-09	The collector Collectorate (Mining Division) Chhatisgarh	-
The Mines and Minerals (Development and Regulation) Act	Demand for short payment of royalty on extraction of Bauxite	8.63	2001-02 to 2005-06	Chhattisgarh High Court	4.00
Chhattisgarh Upkar (Sanshodhan) Adhiniyam, 2004	Demand for Energy Development Cess	1,126.00	2004-05 to 2022-23	Supreme Court of India	34.54
Electricity Act, 2003	Demand for cross subsidy along with interest	313.38	October 2015 to March 2023	Appellate Tribunal For Electricity at New Delhi	-
Forest Conservation Act. 202/1995	Demand for penalty for using the forest land for non-forest purposes	156.00	Till Financial 2007	Supreme Court	-
Chhattishgarh Municipal Limits Rule, 1996	Demand for State Terminal Tax	16.00	2001-02 to 2006-07	Supreme court of india	-
Electricity Act, 2003	Demand for Electricity Duty along with interest	56.99	FY 1987-88 to Oct 22	Chhattisgarh High Court	-
	Demand for Electricity Surcharge	2.00	Till FY 2015-16	State chief Electricity officer	-
Chhatishgarh Entry Tax Act, 1976	The demand was made against equipment which was purchased for setting up of the new industrial unit established by the Petitioner.	131.50	FY 2010-11 to FY 2014-15	High Court Chhattisgarh	-
Chhatishgarh Entry Tax Act, 1976	The demand was made with respect to goods imported fro territory outside India	15.26	April'15 to June'17	Supreme Court	-
Chhatishgarh Entry Tax Act, 1976	Denial of exemption	16.93	2016-17	Assistant Commissioner, Commercial Tax Korba	2.54
Chhatishgarh Entry Tax Act, 1976	Demand on account of Entry tax on material used for production in old plant - 2.45 smelter and 540 MW	6.86	2015-16	Assistant Commissioner, Commercial Taxes Korba	-
Central Excise Act, 1956	Demand on non payment of duty of Aluminium Dross Cleared as per Rule 6 of Cenvat credit rules 2004	1.42	April'15 to June'17	Assistant Commissioner	-
Central Excise Act, 1956	Demand for excess CENVAT Credit claimed under Rule 6 of the CENVAT Credit Rules.	40.38	FY 2010-11 to June 2017	Commissioner, CGST and Central Excise, Raipur	-
Chhattisgarh VAT Act, 2003	Demand raised for amount disallowed for additional cenvat credit claimed on Capital goods	1.20	2014-15	Appeal before Commissioner of Commercial tax, Raipur	0.39
Chhattisgarh VAT Act, 2003	Excess grant of VAT ITR on inputs used for sale of power vis-à-vis on goods sent to branches outside	0.24	Till FY 2014-15	Commercial Tax Tribunal, Raipur	0.00
Chhattisgarh VAT Act, 2003	Demand on account of non-submission of C-form	9.34	2015-16	Assistant Commissioner, Commercial Taxes Korba	-
West Bengal VAT Act, 2005	Demand for incorrect furnishing of stock transfer figure in sales tax return	0.04	2006-07	Commercial tax tribunal, Kolkata	-
West Bengal VAT Act, 2005	Demand	0.01		Deputy Appellete Commissioner	-
Chhattisgarh VAT Act, 2003	1. Deny of CST on Quantity Discount, 2. denial of imposition of CST on apparent stock transfer without F form, 3. computation of reversal of ITC.	0.31	2014-15	Commercial Tax Tribunal, Raipur	0.10
Chhattisgarh VAT Act, 2003	Demand for the following: 1. adjustment of credit from previous year, 2. Deny of CST on Quantity Discount, 3. deny of imposition of CST on apparent stock transfer without F form, 4. computation of reversal of ITC.	3.88	2011-12	Commercial Tax Tribunal, Raipur	-
The Finace Act, 1994	Demand for Non Payment of Service Tax on right to use natural resources (Water) w.e.f. 01.04.2016 and contravention of provisions of finance act 1994	14.60	FY 2013-14	Additional Directorate General of Goods and Services Tax Intelligence, Bilaspur	-
The Finace Act, 1994	Demand for levy of Service Tax on Liquidated Damages collected from transporters	2.06	April 2012 to June 2017	Commissioner CGST and Central Excise, Raipur (Appeals)	-

Name of the statute	Nature of the dues	Amount (Rs in Crs)	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest (Rs in Crs)
The Finace Act, 1994	Demand for levy of Service Tax on recoveries made from customer on non lifting of electricity	11.54	FY 2013-14 to FY 2014-15	Directorate General of Goods and Services Tax Intelligence, Bhopal	-
Goods and Service Tax, 2017	Demand for difference in GSTR1 and GSTR 3B	0.46	Month September 2018	Commissioner, CGST and Central Excise, Raipur	0.46
Goods and Service Tax, 2017	Demand for disallowance of benefit of exemption of integrated Tax & goods & service tax compensation cess.	162.95	Till FY 2019-20	Delhi High Court	29.47
Goods and Service Tax, 2017	Demand for difference between ITC as per GSTR 3B and GSTR -2A	115.97	FY 2018-19 and FY 2019-20	Joint Commissioner	9.98
Goods and Service Tax, 2017	Demand for disallowance of refund of GST Compensation Cess	2.25	November 2018 to August 2019	Joint Commissioner, CGST and Central Excise, Raipur	1.45
Goods and Service Tax, 2017	Demand on account of Transitional credit availed on the basis of manual filed excise returns.	22.75	July'17 To Mar'18	Pricipal Commissioner, CGST, Raipur	-
Goods and Service Tax, 2017	Availment of Input Tax credit on imported goods	35.08	July'17 To Dec'20	DGGI BILASPUR	-
Goods and Service Tax, 2017	Demand for availement of ITC of goods purchased from vendor not available	0.17	For the month June 2018	Assistant commissioner state tax Korba	-
The Finace Act, 1994	Demand for Non-payment of GST under reverse charge Mechanism(RCM) on account of services of tolerating/permitting the non forest activity/use of forest land permitted by the ministry of Environment, forest and climate change (MoEFCC)-Reg.	1.05	April 2016 to December 2020	Directorate General of Goods and Services Tax Intelligence, Bilaspur	-
Income Tax Act, 1961	Demand for short payment of interest	0.10	FY 2002-03	High Court	-
Income Tax Act, 1961	Demand on income tax portal for interest on account of delayed payment of income tax	1.05	2004-05	Central Processing Centre (CPC) of the Income Tax Department.	-
Income Tax Act, 1961	Demand for short payment of interest	0.10	2011-12	Jurisdictional AO	-
Income Tax Act, 1961	Demand on account of Non-deduction of Withholding tax on foreign remittances	0.78	2014-15	Commissioner of Income-tax (Appeals)	-

Name of the statute	Nature of the dues	Amount (Rs in Crs)	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest (Rs in Crs)
Income Tax Act, 1961	Demand	0.06	2008-09 to 2018-19 and AY 2021-22	TDS Raipur	-
Income Tax Act, 1961	Demand	0.02	2018-19	Assessing Officer	-
Central Sales Tax Act, 1956	Demand for: 1. Non submission of statutory forms 2. Non consideration of payment challans 3. Disallowances under VAT assessment order	7.80	FY 2016-17	Assistant Commissioner, Commercial Tax Korba	1.17
Goods & Service Tax 2017	Demand on transitional credit available	3.52	2017-18	Principal Commissioner, CGST, Raipur	-
Air and water Act of 1974 & 1984	Demand	0.61	2020-21 & 2021-22	Chhattisgarh High Court	-
Chhattisgarh Transit (forest produce) Rules, 2001	Demand	1.02	2008-12	Chhattisgarh High Court	-
Central Sales Tax Act, 1956	Demand on account of non-submission of Statutory forms	12.86	2015-16	Assistant Commissioner, Commercial Tax Korba	-

Balance Sheet

as at March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipments	4	9,508.17	9,753.37
(b) Capital work-in-progress	4	1,098.92	283.29
(c) Intangible assets	5	0.70	0.67
(d) Financial assets			
Investments	44	75.00	-
Trade receivables	6	207.64	200.26
Loans	7	0.11	0.49
Others	8	110.68	78.56
(e) Income tax assets (net)	38	56.82	13.19
(f) Other assets	9	849.51	642.57
Total non-current assets		**11,907.55**	**10,972.40**
Current assets			
(a) Inventories	10	1,631.00	1,198.06
(b) Financial assets			
Investments	11	141.29	305.18
Trade receivables	12	232.32	396.44
Cash and cash equivalents	13	308.58	436.74
Other bank balances	14	-	0.15
Loans	15	2.05	1.02
Derivatives	43	16.44	1.52
Others	16	35.12	232.38
(c) Other assets	17	380.04	518.99
Total current assets		**2,746.84**	**3,090.48**
TOTAL ASSETS		**14,654.39**	**14,062.88**
Continued..			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	220.62	220.62
Other equity		7,526.50	7,451.26
Total Equity		**7,747.12**	**7,671.88**
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
Borrowings	19	477.33	593.92
(b) Provisions	20	137.35	186.17
(c) Deferred tax liabilities (net)	38	734.33	693.62
(d) Other liabilities	21	686.20	686.96
Total non-current liabilities		**2,035.21**	**2,160.67**
Current Liabilities			
(a) Financial liabilities			
Borrowings	22	652.14	547.61
Operational buyers' credit/suppliers' credit	23	902.36	423.79
Trade payables			
i) Total outstanding dues of micro, small and medium enterprises	24	36.40	61.84
ii) Total outstanding dues of creditors other than micro, small and medium enterprises	24	1,507.57	1,252.34
Derivatives	43	38.32	75.82
Others	25	239.69	319.08
(b) Provisions	26	174.17	171.86
(c) Income tax liabilities (net)	38	10.69	19.26
(d) Other liabilities	27	1,310.72	1,358.73
Total current liabilities		**4,872.06**	**4,230.33**
TOTAL EQUITY AND LIABILITIES		**14,654.39**	**14,062.88**

See accompanying notes to the financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 55596

Place: Kolkata
Date: April 20, 2023

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302
Place: New Delhi

Rajesh Kumar
CEO & Whole-time Director
DIN: 09586370
Place: New Delhi

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: New Delhi
Date: April 20, 2023

Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income:			
Revenue from operations	28	13,059.36	13,607.02
Other operating income	29	188.42	109.39
Other income	30	248.62	222.44
Total income		**13,496.40**	**13,938.85**
Expenses:			
Cost of materials consumed		6,413.37	4,963.90
(Increase)/Decrease in inventories of finished goods and work-in-progress	31	(255.68)	(68.25)
Power and fuel charges		4,880.66	3,036.62
Employee benefits expense	32	351.52	335.14
Finance costs	33	134.17	228.57
Depreciation and amortisation expense	34	624.81	569.92
Other expenses	35	1,274.61	1,102.17
Total expenses		**13,423.46**	**10,168.07**
Profit before exceptional item and tax		**72.94**	**3,770.78**
Exceptional (loss)/gain	36	-	(214.60)
Profit before tax		**72.94**	**3,556.18**
Tax expense/(credit):	38		
On other than exceptional items:			
- Net current tax expense		0.83	410.72
- Net deferred tax expense		29.68	463.28
On exceptional items:			
- Net current tax credit		-	(54.01)
Net tax expense		**30.51**	**819.99**
Net profit after tax		**42.43**	**2,736.19**
Net profit after tax before exceptional item (net of tax)		**42.43**	**2,896.78**
Other comprehensive income			
Item that will not be subsequently reclassified to profit or loss			
(a) Re-measurement loss on defined benefit obligations	39	(2.70)	(3.79)
(b) Tax credit	38	0.68	0.95
Item that will be subsequently reclassified to profit or loss:			
(a) Net gain/(loss) on cash flow hedges		46.55	(18.34)
(b) Tax (charge)/credit	38	(11.72)	4.62
Total other comprehensive gain for the year		**32.81**	**(16.56)**
Total comprehensive income for the year		**75.24**	**2,719.63**
Earnings per share (of ₹ 10/- each)	37		
Basic and Diluted (in ₹ per share)		1.92	124.02

See accompanying notes to the financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 55596

Place: Kolkata
Date: April 20, 2023

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302
Place: New Delhi

Rajesh Kumar
CEO & Whole-time Director
DIN: 09586370
Place: New Delhi

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: New Delhi
Date: April 20, 2023

Statement of Cash Flows

for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	**72.94**	**3,556.18**
	Adjusted for :		
	- Depreciation and amortisation expense	624.81	569.92
	- Exceptional items (Refer Note 36)	-	214.60
	- Interest income	(81.55)	(130.58)
	- Finance cost	133.69	214.63
	- Unwinding of Discount	0.48	3.59
	- Profit on sale of current investments	(7.37)	(25.56)
	- (Gain)/Loss on mark to market of investments (net)	(0.31)	3.24
	- (Gain)/Loss on sale/discard of property, plant and equipment (net)	(13.93)	10.82
	- Net foreign exchange differences(unrealised)	12.72	23.71
	- Unclaimed liabilities written back (net)	(118.75)	(36.37)
	- Deferred government grant	(24.03)	(20.57)
		525.76	**827.43**
	Operating profit before changes in assets and liabilities	**598.70**	**4,383.61**
	Adjusted for :		
	- Decrease in trade receivables	156.73	83.19
	- (Increase) in inventories	(432.94)	(280.67)
	- Decrease/(Increase) in financial and other assets	296.45	(306.61)
	- Increase in trade payables	229.79	516.64
	- (Decrease)/Increase in other liabilities	469.86	(1,412.09)
	- (Decrease)/Increase in provisions	(46.51)	55.74
		673.38	**(1,343.81)**
	Cash generated from operations	**1,272.08**	**3,039.80**
	Income taxes paid (net)	(53.03)	(336.87)
	Net cash from operating activities	**1,219.05**	**2,702.93**
B.	**Cash flow from investing activities**		
	Purchases of property, plant and equipment (including intangibles)	(1,339.61)	(953.88)
	Proceeds from sale of property, plant and equipment	59.73	29.95
	Purchases of short-term investments	(3,705.00)	(4,308.00)
	Proceeds from sale of short-term investments	3,876.57	5,049.60
	Interest received	80.96	130.58
	Proceeds from bank deposits made	(202.05)	(801.01)
	Proceeds from bank deposits matured	182.92	801.07
	Short term deposits made	(5.15)	(0.43)
	Purchase of long term investments	(75.00)	-
	Net cash used in investing activities	**(1,126.63)**	**(52.12)**

Statement of Cash Flows

for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C.	**Cash flow from financing activities**		
	(Repayment)/proceeds of short-term borrowings (net)	(50.00)	50.00
	Proceeds from current borrowings	500.00	12.75
	(Repayment) of current borrowings	(212.75)	(133.34)
	Proceeds from long-term borrowings	234.40	-
	(Repayment) of long-term borrowings	(484.86)	(2,028.06)
	Movement in derivatives for borrowings (net)	(34.83)	(51.12)
	Interest and finance charges paid	(172.54)	(173.06)
	Repayment of lease liability	-	(0.21)
	Net cash used in financing activities	**(220.58)**	**(2,323.04)**
	Net (decrease) in cash and cash equivalents	**(128.16)**	**327.77**
	Cash and cash equivalents as at the beginning of the year (refer note 13)	**436.74**	**108.97**
	Cash and cash equivalents as at the end of the year (refer note 13)	**308.58**	**436.74**

Notes:

1. The figures in parentheses indicate outflow
2. The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 statement of cash flows.

See accompanying notes to the financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 55596

Place: Kolkata
Date: April 20, 2023

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302
Place: New Delhi

Rajesh Kumar
CEO & Whole-time Director
DIN: 09586370
Place: New Delhi

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: New Delhi
Date: April 20, 2023

Statement of Changes in Equity
for the year ended March 31, 2023

A Equity share capital

Particulars	Numbers of shares	Amount in ₹ Crore
Equity shares of ₹ 10 each issued, subscribed and fully paid:		
As at March 31, 2023 and March 31, 2022	22,06,24,500	220.62

B Other equity

(All amounts in ₹ Crore, unless otherwise stated)

Particulars	Reserve and Surplus						Total
	Capital reserve[3]	Retained earnings[4]	General reserve[1]	Total reserves (other than OCI)	Effective portion of cash flow hedge[5]	Total OCI	
Balance as at April 1, 2021	**9.20**	**4,309.91**	**430.31**	**4,749.42**	**(17.79)**	**(17.79)**	**4,731.63**
Profit for the year	-	2,736.19	-	2,736.19	-	-	2,736.19
Other comprehensive income/(loss) for the year[2,5]	-	(2.84)	-	(2.84)	(13.72)	(13.72)	(16.56)
Total comprehensive income/ (loss) for the year	-	2,733.35	-	2,733.35	(13.72)	(13.72)	2,719.63
Balance as at April 1, 2022	**9.20**	**7,043.26**	**430.31**	**7,482.77**	**(31.51)**	**(31.51)**	**7,451.26**
Profit for the year	-	42.43	-	42.43	-	-	42.43
Other comprehensive income/(loss) for the year[2,5]	-	(2.02)	-	(2.02)	34.83	34.83	32.81
Total comprehensive income for the year	-	40.41	-	40.41	34.83	34.83	75.24
Balance as at March 31, 2023	**9.20**	**7,083.67**	**430.31**	**7,523.18**	**3.32**	**3.32**	**7526.50**

1 General reserves

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve is no longer applicable.

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

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

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

Statement of Changes in Equity
for the year ended March 31, 2023

5 Effective portion of cash flow hedge

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

See accompanying notes to the financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 55596

Place: Kolkata
Date: April 20, 2023

For and on behalf of the Board of Directors

S K Roongta
Director
DIN: 00309302
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CEO & Whole-time Director
DIN: 09586370
Place: New Delhi

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: New Delhi
Date: April 20, 2023

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

1 Company overview

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

2 Basis of preparation and basis of measurement of financial statements

(A) Basis of preparation

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

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

These financial statements are approved for issue by the Board of Directors on April 20, 2023. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

All financial information presented in Indian Rupees has been rounded off to the nearest crore with two decimals except when indicated otherwise. Amounts less than ₹ 0.50 Crore have been presented as "0".

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

(B) Basis of measurement

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

(C) Reclassifications

On an ongoing basis, the management reviews the changes in the nature of the Company's operations, selection and application of accounting policies and recent accounting pronouncements to assess appropriateness of presentation or classifications of items in the financial statements, there were no relevant amendments made to Schedule III that are applicable to the company for FY 22-23.

3(a) Significant accounting policies

(A) Revenue recognition

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

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

Certain of the Company's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME), as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 'Revenue from contracts with customers' and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments i.e. the consideration adjusted post transfer of control are included in total revenue from operations on the face of the statement of profit and loss and disclosed by way of note to the financial statements. Final settlement of the price is based on the applicable price for a specified future period. The Company's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

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

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

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

- **Interest income**

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

- **Dividends**

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

- **Export benefits**

Export benefits are accounted on recognition of export sales.

(B) Property, Plant and Equipment

i) Mining properties

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

(All amounts in ₹ Crore, unless otherwise stated)

properties". The costs of mining properties include the costs of acquiring and developing mining properties and mineral rights.

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

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

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

Commercial reserves are proved and probable reserves as defined by the 'JORC' Code, 'MORC' code or 'SAMREC' Code. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

ii) Other property, plant and equipment

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit and loss when the asset is derecognised. Major inspection and overhaul expenditure is capitalized, if the recognition criteria are met.

iii) Assets under construction

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

iv) Depreciation, depletion and amortisation expense

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

- **Mining properties**

  The capitalised mining properties are amortised on a unit-of-production basis over the total estimated remaining commercial proved and probable reserves of each property or Company of properties and are subject to impairment review. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future capital expenditure required to access the commercial reserves. Changes in the estimates of commercial reserves or future capital expenditure are dealt with prospectively.

- **Other assets**

  Depreciation on other Property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management) as given below. Management's assessment takes into account, inter alia, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

  Estimated useful life of assets are as follows:

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

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

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

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

(C) Intangible assets

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

Intangible assets are amortised over their estimated useful life on a straight line basis. Software license is amortised over the estimated useful life ranging from 1-5 years.

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

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

(D) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Such assets and disposal groups are presented separately on the face of the balance sheet.

(E) Impairment of non-financial assets

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

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

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

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the Company and not applicable to entities in general. Fair value for mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

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

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss. Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

Exploration and evaluation intangible assets:

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

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

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

(F) Financial instruments

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

(i) Financial Assets - recognition & subsequent measurement

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

However, trade receivables that do not contain a significant financing component are measured at transaction price as per Ind AS 115."

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

- **Financial Assets at amortised cost**

  A 'financial assets' is measured at amortised cost if both the following conditions are met:

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

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

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

- **Financial Assets at fair value through other comprehensive income (FVOCI)**

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

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

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

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

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

- **Financial assets at fair value through profit or loss (FVTPL)**

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

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The

Company has not designated any debt instrument as at FVTPL.

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

- **Equity instruments**

Any equity investmentsinstrument in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the statement of profit and loss.

Further, the provisionally priced trade receivables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

(ii) Financial Assets - derecognition

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

(iii) Impairment of financial assets

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

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

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

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

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

a) Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets. The Company does not reduce impairment allowance from the gross carrying amount.

b) Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

(iv) Financial liabilities - Recognition & Subsequent measurement

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

All financial liabilities are recognised initially at fair value, and in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Further, the provisionally priced trade payables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in costs.

- **Financial liabilities at amortised cost (Loans and Borrowings and Trade and Other payables)**

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(v) Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

(vii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(F) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss. Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

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

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(G) Leases

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(b) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities towards future lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities have been separately preseneted in the balance sheet.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(H) Inventories

Inventories and work-in-progress are stated at the lower of cost and net realisable value. Cost is determined on the following basis:

- Raw materials, fuel stock and stores and spares are valued on weighted average basis
- Finished products and work-in-progress are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis and
- By-products are valued at net realisable value.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

Inventories of 'Fuel Stock' mainly consist of coal which is used for generating power. On consumption, the cost is charged off to 'Power and Fuel' charges in the statement of profit and loss.

(I) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(J) Taxation

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

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax losses.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

Further, management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(K) Employee benefit schemes

(i) Short Term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Compensated absences:

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

(ii) Post-employment benefits

- **Defined contribution plan**

  Retirement benefits in form of superannuation is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the superannuation

(All amounts in ₹ Crore, unless otherwise stated)

fund. The Company recognizes contribution payable to the superannuation scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

- **Defined benefit plans – Gratuity and Provident fund**

Gratuity

The Company has a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. Presently the Company's gratuity plan is unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

The liability recognized in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

Provident Fund

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Balco Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Post-retirement medical benefits (PRMB)

The Company has framed a scheme with a view to provide medical benefits to the regular employees of the Company and their spouses subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis. Based on actuarial valuations conducted as at year end, a provision is recognized in full for the benefit obligation.

(L) Share-based payments

Vedanta Limited offered certain share based incentives under the Long-Term Incentive Plan ("LTIP") to employees and directors of the Company. It recovers the proportionate cost (calculated based on the grant date fair value of the options granted) from the Company, which is charged to the statement of profit and loss.

(M) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Balance Sheet.

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

The Company has significant capital commitments in relation to various capital projects which are not recognized in the balance sheet.

(N) Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit and loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in the statement of profit and loss.

Costs for the restoration of subsequent site damage, which is caused on an ongoing basis during production, are provided for at their net present value and charged to the statement of profit and loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred. Provision for site restoration cost are reviewed anually and adjusted for changes including mine utilisation plan.

(O) Accounting for foreign currency transactions and translations

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates, for all principal businesses of the Company, the functional currency is Indian rupee and the financial statements are presented in Indian rupee.

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

In the financial statements of the Company, transactions in currencies other than the respective functional currencies are translated into their functional currencies at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currencies at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

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

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs in qualifying assets.

The Company had applied paragraph 46A of AS 11 under Previous GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/ loss on long-term foreign currency monetary items recognized upto March 31, 2016 has been deferred/ capitalized. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

Exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

(P) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(Q) Buyers' Credit/ Suppliers' Credit and vendor financing

The Company enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months (for raw materials) and up to 36 months (for project and materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Where these arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Company is treated as an operating cash outflow reflecting the substance of the payment.

(R) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current only.

(S) Borrowing costs

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use i.e. when they are capable of commercial production. Borrowing costs relating to the construction phase of a service concession arrangement is capitalised as part of the cost of the intangible asset. Where funds are borrowed specifically to finance a qualifying capital project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a qualifying capital project, the income generated from such short-term investments is deducted from the total capitalized borrowing cost. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing then becomes part of general borrowing. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year.

All other borrowing costs are recognised in the statement of profit and loss in the year in which they are incurred.

Capitalisation of interest on borrowings related to construction or development projects is ceased when substantially all the activities that are necessary to make the assets ready for their intended use are complete or when delays occur outside of the normal course of business.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

(T) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits which have maturity of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above and additionally includes unpaid dividend account.

(U) Segment Reporting

Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Company's Chief Operating Decision Maker ("CODM").

Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated based on cost. Unallocated expenditure consist of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets

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(All amounts in ₹ Crore, unless otherwise stated)

and liabilities that cannot be allocated between the segments are shown as unallocated assets and unallocated liabilities respectively.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. Earnings before Interest, Tax and Depreciation & Amortisation (EBITDA) are evaluated regularly by the CODM, in deciding how to allocate resources and in assessing performance. The operating segments reported are the segments of the Company for which separate financial information is available. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.

Pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Refer Note 41 for revenue/profit information and assets/liabilities information regarding the Company's business segments for and at the year ended 31 March 2023 and 31 March 2022 respectively. Decisions regarding allocation of indirect costs to the respective segment are based on the decision of the CODM.

(V) Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

3(b) Application of new and amended standards

(A) The Company has adopted, with effect from April 01, 2022, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendment to INDAS 37 regarding costs that an entity needs to include when assessing whether a contract is onerous or loss-making.
2. Amendment to INDAS 109 Financial Instrument regarding inclusion of fees in the '10 per cent' test for derecognition of financial liabilities.

(B) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023, effective from 01 April 2023, resulting in certain amendments mentioned below:

1. Ind AS 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies;
2. Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption transactions such as leases and decommissioning obligations;
3. Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendment replaces definition of 'change in accounting estimates' with the definition of 'accounting estimates' These amendments are not expected to have any impact in the financial statements of the Company.

(3c) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are elaborated in note no. 44.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

4 Property, Plant and Equipments[3,4,5,6,8,9]

Particulars	Gross block				Accumulated depreciation				Net Block
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	Charge for the year	Deductions	As at March 31, 2023	As at March 31, 2023
Tangible assets									
Land-freehold[1,2,,7]	18.64	-	-	18.64	-	-	-	-	18.64
(Previous year)	*18.35*	*0.29*	-	*18.64*	-	-	-	-	*18.64*
Buildings[2]	2,088.99	41.22	6.42	2,123.79	987.93	59.75	2.22	1,045.46	1,078.33
(Previous year)	*2,086.53*	*2.46*	-	*2,088.99*	*930.66*	*57.27*	-	*987.93*	*1,101.06*
Plant and equipment	14,651.08	362.26	111.86	14,901.48	6,269.10	462.11	84.06	6,647.15	8,254.33
(Previous year)	*14,566.62*	*200.23*	*115.77*	*14,651.08*	*5,902.81*	*441.97*	*75.68*	*6,269.10*	*8,381.98*
Furniture and fixtures	16.53	0.92	0.03	17.42	13.13	0.56	0.01	13.68	3.74
(Previous year)	*16.23*	*0.41*	0.11	*16.53*	12.71	0.47	0.05	13.13	3.40
Vehicles	25.39	0.88	0.40	25.87	16.91	0.33	0.12	17.12	8.75
(Previous year)	*26.34*	*0.04*	*0.99*	*25.39*	*16.77*	*0.57*	*0.43*	*16.91*	*8.48*
Office equipment	40.40	3.98	0.02	44.36	32.07	4.14	0.02	36.19	8.17
(Previous year)	*39.22*	*1.24*	*0.06*	*40.40*	*28.47*	*3.66*	*0.06*	*32.07*	*8.33*
Railway Sidings	230.04	-	-	230.04	100.25	11.03	-	111.28	118.76
(Previous year)	*230.04*	-	-	*230.04*	*88.63*	*11.62*	-	*100.25*	*129.79*
Mining properties[5]	143.01	15.85	13.50	145.36	64.76	71.94	-	136.70	8.66
(Previous year)	*142.67*	*0.34*	-	*143.01*	*14.63*	*50.13*	-	*64.76*	*78.25*
Right of Use assets[6]	35.30	-	-	35.30	11.86	14.65	-	26.51	8.79
(Previous year)	*36.58*	-	*1.28*	*35.30*	*9.12*	*3.95*	*1.21*	*11.86*	*23.44*
Total	**17,249.38**	**425.11**	**132.23**	**17,542.26**	**7,496.01**	**624.51**	**86.43**	**8,034.09**	**9,508.17**
Total -Previous Year	**17,162.58**	**205.01**	**118.21**	**17,249.38**	**7,003.80**	**569.64**	**77.43**	**7,496.01**	**9,753.37**
*Capital work-in-progress[10]	283.29	1,219.10	403.47	1,098.92	-	-	-	-	1,098.92
(Previous year)	*104.83*	*383.47*	*205.01*	*283.29*	-	-	-	-	*283.29*

*For Capital work-in-progress deductions means capitalisation of Capital work-in-progress to respective class of assets.

1. Certain land and quarters of the Company including 40 nos. of Company's quarters at Bidhan Bagh Unit and 300.88 acres of land at Korba and Bidhan Bagh have been unauthorisedly occupied for which the Company is evaluating the options for evacuation.
2. The Division Bench of the Hon'ble High Court of Chhattisgarh has vide its order dated February 25, 2010, upheld that BALCO is in legal possession of 1,804.67 acres of Government land. Subsequent to the said order, the State Government has decided to issue the lease deed in favour of BALCO after the matter of issue of forest land is decided by the Hon'ble Supreme Court. In the proceedings before the Hon'ble Supreme Court, pursuant to public interest litigations filed, it has been alleged that land in possession of BALCO is being used in contravention of the Forest Conservation Act, 1980 even though the said land has been in its possession prior to the promulgation of the Forest Conservation Act, 1980 on which its Aluminium complex, allied facilities and township were constructed

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(All amounts in ₹ Crore, unless otherwise stated)

4 Property, Plant and Equipments[3,4,5,6,8,9] (Contd..)

between 1971-76. The Central Empowered Committee of the Supreme Court has already recommended ex-post facto diversion of the forest land in possession of BALCO. BALCO has also filed two IA before the Supreme Court, 1st challenging the order of the Tehsildar Korba whereby he rejected BALCO'S applications for eviction of illegal encroachers on BALCO'S land on the ground that land matter is subjudice before the Supreme Court and the other application whereby BALCO has challenged the state government's action for allotment of land to illegal encroachers under the Rajiv Ashray Yojna. The matter is to be listed for hearing in due course.

3. In accordance with the exemption given under Ind AS 101, exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset of ₹ 0.15 Crore (March 31, 2022: ₹ 5.98 Crore) capitalised, are grouped under property, plant and equipments and capital work in progress.

4. For lien/charge against property, plant and equipment refer note no. 19, 22 & 23.

5. Refer note 34 for depreciation and amortisation expenses also.

6. Disclosure of Right of Use (ROU) Assets as per IndAS 116 - "Leases"

Particulars	ROU Land
Gross Block	35.30
(Previous year)	*35.30*
Accumulated Depreciation	26.51
(Previous year)	*11.86*
Depreciation charged during the period	14.65
(Previous year)	*3.95*
Carrying book value as on March 31, 2023	8.79
(Previous year)	*23.44*

7. Title deeds of immovable properties not held in the name of company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (in crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director (Y/N)	Property held since which date	Reason for not being held in the name of the company**(also indicate if in dispute)
Property, Plant and Equipment	Freehold Land	3.60	National Thermal Power Corporation Ltd	N	June 20, 2002	The 206.18 acres land transferred to BALCO by NTPC is yet to be registered in favour of BALCO due to non-availability of title deeds from NTPC. 'In the matter, arbitration was held where the Ld. Arbitrator passed the award in favour of BALCO but directed that transfer of title deeds of land will be effected by the Central Government with the assistance of State Government. The matter is sub-judice before the Delhi High Court and is posted for hearing on May 19, 2023.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

4 Property, Plant and Equipments[3,4,5,6,8,9] (Contd..)

8. Please refer note 33 for interest capitalised during the year.

9. During the year ended March 31, 2023, the company has classified certain item of property plant and equipment in respect of its old alumina refinery and smelter as assets held for sale based on the agreement for sale entered during the year amounting to ₹ 93.58 Crores. The plant was suspended since September 2009 and as at March 31, 2023, the remaining net carrying value of these assets ₹ 3.69 Crore and is expected to be recovered principally through sale , rather than through continuous use. Till date, the company has sold assets with a carrying value of ₹ 0.31 Crores at a sale value of ₹ 7.23 Crores recognising profit of ₹ 6.92 crore. The Company is expected to complete the remaining sale transaction within next year. Since the carrying value is immaterial and hence no further disclosure has been given.

10. Capital work-in-progress ageing schedule as at March 31, 2023:

CWIP	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	945.74	153.18	-	-	1,098.92
(Previous year)	*279.06*	*4.23*	-	-	*283.29*
Projects temporarily suspended	-	-	-	-	-
(Previous year)	-	-	-	-	-
Total	**945.74**	**153.18**	**-**	**-**	**1,098.92**
Total -Previous Year	**279.06**	**4.23**	**-**	**-**	**283.29**

5 Intangible Assets

Particulars	Gross block				Accumulated depreciation				Net Block
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	Charge for the year	Deductions	As at March 31, 2023	As at March 31, 2023
Software license	**9.77**	**0.32**	**-**	**10.09**	**9.09**	**0.30**	**-**	**9.39**	**0.70**
Previous year	*9.77*	-	-	*9.77*	*8.81*	*0.29*	-	*9.09*	*0.67*

Title deeds of immovable properties not held in the name of company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/ director (Y/N)	Property held since which date	Reason for not being held in the name of the company**(also indicate if in dispute)
Property, Plant and Equipment	Land	3.60	National Thermal Power Corporation Ltd	N	June 20, 2002	The 206.18 acres land transferred to BALCO by NTPC is yet to be registered in favour of BALCO due to non-availability of title deeds from NTPC. 'In the matter, arbitration was held where the Ld. Arbitrator passed the award in favour of BALCO but directed that transfer of title deeds of land will be effected by the Central Government with the assistance of State Government. The matter is sub-judice before the Delhi High Court and is posted for hearing on September 26, 2022.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

6 Financial assets - Non current : Trade receivables

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered good	207.64	200.26
Credit impaired	34.10	34.10
Less: allowance for credit impairment	(34.10)	(34.10)
Total	**207.64**	**200.26**

1. Carrying value of trade receivable may be affected by the changes in the credit risk of counterparties as explained in note no. 43 as well as for time value of money where collection is expected to be delayed.
2. Maturity profile is as per note no. 43.
3. For lien/charge against trade receivable refer note nos. 19, 22 and 23.
4. No trade receivable is due from directors or other officers of the Company either severally or jointly with any other person (March 31, 2022- ₹ Nil). No trade receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.
5. Trade receivables considered good includes ₹ 135.36 Crore (March 31, 2022: ₹ 135.36 Crore) on account of differential energy charges for supply of power to customers under power supply agreements, pursuant to amendment in escalation rates of domestic coal by Central Electricity Regulatory Commission (CERC) for the period October 1, 2012 to September 30, 2014 which is disputed in Honourable Delhi High Court. Supported by legal opinion obtained, management believes that there are strong chances that the dispute will ultimately be resolved in favour of the Company. This receivable carries interest as per the power supply agreement.
6. Trade receivables considered good includes ₹ 41.92 Crore (March 31, 2022: ₹ 37.34 Crore) on account of differential duties and taxes recognised by the Company for supply of power to customers under power supply agreements, inline with Central Electricity Regulatory Commission (CERC) order dated April 27, 2018 & Appellate Tribunal For Electricity (APTEL) order dated August 12, 2021 against which petition is filed by customer in Honourable Supreme Court, New Delhi. Supported by legal opinion obtained, management believes that there are strong chances that the dispute will ultimatly be resolved in favour of the Company. This receivable carries interest as per the power supply agreement.
7. Trade receivables considered good includes ₹ 30.06 Crore (March 31,2022: ₹ 27.24 Crore) on account of fixed charge for the units supplied up to the 'normative availability'.For the computation of fixed charge normative availability shall be determined on annual basis as per Power Purchase Agreement (PPA), but customer was considering monthly availability for the computation of fixed charge. The Company had filed the petition in Central Electricity Regulatory Commission (CERC) regarding the fixed charge computation on annual basis. During the last year, CERC has passed the order in favour of the company allowing the fixed charge calculation on annualised basis. The customer has further challenged the CERC order in APTEL, and the matter was reserved for order. Supported by legal opinion, management believes that the matter will be resolved in favour of the company.
8. Ageing has been considered from the date of credit period expired, wherever applicable or from the date of invoice.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

6 Financial assets - Non current : Trade receivables (Contd..)

(at amortised cost)

Non current trade receivables ageing schedule as at March 31, 2023:

Particulars	Outstanding from due date of payment as on March 31, 2023						
	Not Due	Upto 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- credit impaired						34.10	34.10
			-	-	-	34.10	34.10
Less: Allowances for credit impaired						(34.10)	(34.10)
			-	-	-	-	-
Disputed							
- considered good	0.37	6.65	1.29	63.67	-	135.66	207.64
	0.37	**6.65**	**1.29**	**63.67**	**-**	**135.66**	**207.64**
Total							**207.64**

Non current trade receivables ageing schedule as at March 31, 2022:

Particulars	Outstanding from due date of payment as on March 31, 2022						
	Not Due	Upto 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good	0.92	1.45	-	-	-	-	2.37
- credit impaired						34.10	34.10
	0.92	1.45	-	-	-	34.10	36.47
Less: Allowances for credit impaired						(34.10)	(34.10)
	0.92	**1.45**	**-**	**-**	**-**	**-**	**2.37**
Disputed							
- considered good	-	39.30	-	16.09	6.84	135.66	197.89
	-	**39.30**	**-**	**16.09**	**6.84**	**135.66**	**197.89**
Total							**200.26**

*There are no unbilled trade receivable as on March 31, 2023 and March 31, 2022.

** Disputed dues are considered good basis sub note 5,6 and 7 above

7 Financial assets - Non current : Loans

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Loans to employees	0.11	0.49
Total	**0.11**	**0.49**

1. For details of classification of financial assets and fair value hierarchy refer note no. 43.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

8 Financial assets - Non Current : Others

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposits	52.32	39.59
Site restoration asset[1]	14.77	9.62
Bank Deposits[4]	19.76	-
Other receivables[3]	23.83	29.35
Total	**110.68**	**78.56**

1. Represents deposits with Ministry of Coal pertaining to coal block which earns interest at fixed rate based on respective deposit rate.
2. For details of classification of financial assets and fair value hierarchy refer note no. 43.
3. Other receivables represent receivables amounting to ₹ 11.52 Crore (March 31, 2022: ₹ 15.35 Crore) on account of differential duties and taxes recognised by the Company for supply of power to customers under power supply agreements, inline with Central Electricity Regulatory Commission (CERC) order dated April 27, 2018 & Appellate Tribunal for Electricity (APTEL) order dated August 12, 2021 for which invoice is yet to be raised by the Company for FY 2022-23 and receivables amounting to ₹ 12.31 Crore (March 31, 2022: ₹ 14.00 crore) on account of incremental revenue recognised by the Company for FY 2020-21, FY 2021-22 & FY 2022-23 pertaining to difference between provisional tariff and recomputed tariff based on tariff pricing mechanism set out in Chhattisgarh State Electricity Regulatory Commission (CSERC) order dated December 20, 2021 (for FY 2018-19 and FY 2019-20) for which invoice is yet to be raised by the Company.
4. Bank deposits represents fixed deposits with maturity more than 12 months under lien with banks against bank guarantee.

9 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances	645.15	455.20
Prepaid expenses[1]	29.95	47.07
Claims and other receivables[2]	174.41	140.30
Total	**849.51**	**642.57**

1. Includes excess of actual expenditure incurred towards Corporate Social Responsibility over obligation till date, refer note no 35.
2. Claims and other receivables includes following :
   a. Receivables pertaining to energy development cess levied by Government of Chhattisgarh ₹ 34.54 Crore (March 31, 2022: ₹ 34.54 Crore) which has been challenged by the Government of Chhattisgarh in the Honourable Supreme Court of India. Supported by a legal opinion obtained, management believes that it is probable that the matter will be decided in favour of the Company.
   b. Claims recoverable from Madhya Pradesh Electricity Board (MPEB)/Chhattisgarh State Electricity Board (CSEB) amounting to ₹ 17.45 Crore (March 31, 2022 : ₹ 10.08 Crore), which are disputed by them. The Company is also disputing the claim for Electricity duty/surcharge made by MPEB/CSEB amounting to

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

9 Other non-current assets (Contd..)

₹ 13.23 Crore (March 31, 2022: ₹ 13.23 Crore). The net amount recoverable/payable can be ascertained on settlement of the disputes. Supported by a legal opinion obtained, management believes that it is probable that the matter will be decided in favour of the Company. The said claim is interest-bearing.

   c. Claims recoverable in respect of property tax paid under dispute amounting to ₹ 32.22 Crore (March 31, 2022: ₹ 32.22 Crore). During the year the company has received a favourable order from the High Court, and the original demand raised by the Municipal Corporation has been set aside with further directions to the Municipal Corporation for issuing a revised demand.

10 Current assets: Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw materials	477.50	378.15
Goods-in transit	351.54	175.84
	829.04	**553.99**
(b) Fuel stock	243.75	110.93
Goods-in transit	8.83	118.79
	252.58	**229.72**
(c) Work-in-progress	383.49	255.58
Goods-in transit	-	-
	383.49	**255.58**
(d) Finished goods[1]	-	6.07
(e) By-product[1]	0.41	10.04
(f) Stores and spares[2]	159.03	139.65
Goods-in transit	6.45	3.01
	165.48	**142.66**
Total	**1,631.00**	**1,198.06**

1. Inventories held at net realizable value amounted to ₹ 51.27 Crore (March 31, 2022: ₹ 13.51 Crore). The write down on inventories amounting to ₹ 17.07 Crore for the year (March 31, 2022: ₹ 6.77 Crore) has been charged to the Statement of Profit and Loss.
2. The provision in respect of slow-moving, damaged, or obsolete inventories of stores and spares lying in books on March 31, 2023 is ₹ 14.70 Crore (March 31, 2022: ₹ 25.59 Crore).
3. Entire inventory has been hypothecated as security against certain bank borrowings of the Company. For more details of lien/charge against inventories refer note no. 19, 22 & 23.
4. For mode of valuation for each class of inventories, refer note no. 3(a)(H).

11 Financial assets - Current : Investments

(at fair value through profit and loss)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in mutual funds - unquoted	141.29	305.18
Total	**141.29**	**305.18**
Aggregate amount of quoted investments, and market value thereof	-	-
Aggregate amount of unquoted investments	141.29	305.18

1. For determination of fair value refer note no. 43.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

12 Financial Assets- Current : Trade receivables

(at amortised cost and at fair value through profit and loss)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured[6]		
Considered good	227.26	396.44
	227.26	**396.44**
Unsecured[4]		
Considered good	5.06	-
	5.06	**-**
Total	**232.32**	**396.44**

1. Carrying value of trade receivables may be affected by the changes in the credit risk of counterparties as explained in note no. 43.
2. Maturity profile is as per note no. 43.
3. For lien/charge against trade receivables refer note nos. 19, 22 and 23.
4. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member (March 31, 2022 : Nil). For amount due from related parties, refer note no. 42.
5. Ageing has been considered from the date of credit period expired, wherever applicable or from the date of invoice.
6. Debtors are secured against letter of credit or bank guarantee.

Current trade receivables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Upto 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
– considered good	104.55	127.77	-	-	-	-	232.32
– credit impaired							-
	104.55	**127.77**	**-**	**-**	**-**	**-**	**232.32**
Less: Allowances for credit impaired	-	-	-	-	-	-	-
	104.55	**127.77**	**-**	**-**	**-**	**-**	**232.32**
Total							**232.32**

Current trade receivables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Upto 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
– considered good	36.60	311.36	-	-	-	-	347.96
– credit impaired							-
	36.60	**311.36**	**-**	**-**	**-**	**-**	**347.96**
Less: Allowances for credit impaired	-	-	-	-	-	-	-
	36.60	**311.36**	**-**	**-**	**-**	**-**	**347.96**

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as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

12 Financial Assets- Current : Trade receivables (Contd..)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Upto 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Disputed							
- considered good	-	18.72	-	20.88	8.88	-	48.48
- which have significant increase in credit risk							-
– credit impaired	-	18.72	-	20.88	8.88	-	48.48
	-	**-**	**-**	**-**	**-**	**-**	**-**
Less: Allowances for credit impaired	-	18.72	-	20.88	8.88	-	48.48
Total							**396.44**

*There are no unbilled trade receivable as on March 31, 2023 and March 31, 2022.

** Disputed dues are considered good basis sub note 5,6 and 7 of note 6

13 Financial Assets- Current : Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks[1]	308.58	436.73
Cash on hand	-	0.01
Total	**308.58**	**436.74**

1. Including foreign inward remittances aggregating ₹ 102.52 Crores (March 31, 2022: ₹ 175.43 Crores) held by banks in their Nostro accounts on behalf of the Company

14 Financial Assets- Current : Other Bank Balances

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with original maturity greater than 3 months but less than 12 months[1]	-	0.15
Total	**-**	**0.15**

1. Fixed deposit with bank as lodged with third parties in the ordinary course of business. Interest earned at fixed rate based on respective deposit rate.

15 Financial assets - Current : Loans

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Loans to employees	2.05	1.02
Total	**2.05**	**1.02**

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

16 Financial Assets- Current : Others

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposits	0.06	12.68
Advances to related parties (also refer note no. 42)	0.01	2.85
Other receivables[2]	35.05	216.85
Total	**35.12**	**232.38**

1. For details of classification of financial assets and fair value hierarchy refer note no. 43.
2. Includes marked to market valuation of derivative contract entered into to hedge risk of fluctuation of commodity prices as at March 31, 2023 ₹ 33.88 Crore (March 31, 2022 ₹ 213.87 Crore), also refer note 43.

17 Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances to suppliers	221.05	325.17
Prepaid expenses[1]	64.11	63.10
Claims and other receivables[2]	10.20	3.49
Balances with statutory/Government authorities	69.97	65.14
Export incentives receivable	14.71	62.09
Total	**380.04**	**518.99**

1. Includes excess of actual expenditure incurred towards Corporate Social Responsibility over obligation till date, refer note no 35.
2. Also refer note 9.2 for claims and other receivables.

18 Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Balance at the end of the year (equity shares of ₹ 10 each)	50,00,00,000	500.00	50,00,00,000	500.00
Issued, subscribed and fully Paid up				
Balance at the end of the year (equity shares of ₹ 10 each)	22,06,24,500	220.62	22,06,24,500	220.62
Total	**22,06,24,500**	**220.62**	**22,06,24,500**	**220.62**

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

18 Share capital (Contd..)

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, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning and end of the year	22,06,24,500	220.62	22,06,24,500	220.62

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
a) Vedanta Limited [1] and their nominees	11,25,18,495	51%	11,25,18,495	51%
b) Government of India- - President of India	10,81,06,005	49%	10,81,06,005	49%
Total	**22,06,24,500**	**100%**	**22,06,24,500**	**100%**

1) Vedanta Limited, Holding Company holds 112,518,495 shares in the Company. The subsidiaries and associates of Vedanta limited do not hold any equity shares in the Company. Ultimate holding company Volcan Investments Limited and its subsidiaries and associates do not hold any equity shares in the Company.

iii) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, which is paid as and when declared by the Board of Directors. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iv) Shareholding of promoter

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of shares at the end of the year	% of Total Shares	% change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Vedanta Limited	11,25,18,495	51%	-	11,25,18,495	51%	-

19 Financial liabilities -Non current Borrowings[5,6]:

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Rupee Term loans from banks[1]	477.33	593.92
External commercial borrowings[2,3]	-	-
Foreign currency term loan[4]	-	-
Total	**477.33**	**593.92**

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

19 Financial liabilities -Non current Borrowings[5,6]: (Contd..)

Interest, Repayment terms and security details of borrowings	As at March 31, 2023	As at March 31, 2022
1. Rupee term loans from various banks secured by first pari passu charge on moveable property, plant and equipments (excluding coal block) of the Company. Weighted average rate of interest is 8.63% (March 31, 2022: 6.38%) and are repayable in 51 quarterly installments.	829.47	889.85
2. External commercial borrowings from Canara Bank London Branch of USD 10 million was repaid in two equal installments in 5th and 6th year from first utilisation dated March 10, 2017. The rate of interest payable on this facility is 3 month LIBOR plus 280 basis points (March 31, 2022 - 3 month LIBOR plus 280 basis points).The facility was secured by first pari passu charge on all movable property, plant and equipments related to power plants and aluminium smelters located at Korba both present and future ranking pari passu with charges created for other secured lenders	-	37.75
3. External commercial borrowings from ICICI Bank Limited IFSC Banking Unit of USD 4 million, Union Bank of India (UK) Limited USD 6 million and USD 10 million from AFR Asia Mauritius was repaid in two equal installments in 5th and 6th year from first utilisation dated November 10, 2016. The rate of interest payable on this facility is 3 month LIBOR plus 280 basis points (March 31, 2022 - 3 month LIBOR plus 280 basis points).The facility was secured by first pari passu charge on all movable property, plant and equipments related to entire power plants and aluminium smelters located at Korba both present and future ranking pari passu with charges created for other secured lenders.	-	75.59
4. Foreign Currency Term Loan from Export Import Bank of India of USD 20 million was repaid in two equal installments in 5th and 6th year from first utilisation dated November 10, 2016. The rate of interest payable on this facility is 3 month LIBOR plus 280 basis points (March 31, 2022 - 3 month LIBOR plus 280 basis points).The facility was secured by first pari passu charge on all movable property, plant and equipments related to entire power plants and aluminium smelters located at Korba both present and future ranking pari passu with charges created for other secured lenders.	-	75.59
Total borrowings	**829.47**	**1,078.78**
Less: Current maturities	352.14	484.86
Net Non-Current borrowings	**477.33**	**593.92**

5. The amount appearing in the non current portion as on the respective reporting date are exclusive of loan classified under Current maturities of long term borrowing disclosed under note no. 22.

6. The credit facilities are subject to certain financial and non-financial covenants. The primary covenants which must be complied with include debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio and ratio of total term liabilities to net worth. The Company has complied with the covenants as per the terms of the loan agreement.

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

19A Movement in borrowings during the year is provided below:

Particulars	Borrowings due within one year	Borrowings due after one year	Total
Opening Balance as on April 1, 2021	946.64	2,220.07	3,166.71
Net cash inflow/(outflow)	(883.89)	(1,214.76)	(2,098.65)
Other Non cash changes	484.86	(411.39)	73.47
As at April 1, 2022	**547.61**	**593.92**	**1,141.53**
Net cash inflow/(outflow)	237.25	(250.46)	(13.21)
Other Non cash changes	(132.72)	133.87	1.15
As at March 31, 2023	**652.14**	**477.33**	**1,129.47**

Other non-cash changes comprises of amortisation of borrowing costs, foreign exchange difference on borrowings and reclassification between borrowings due within one year and borrowings due after one year.

20 Provisions : Non current

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits[1]	128.66	123.86
Site restoration and rehabilitation[2,3]	8.69	62.31
Total	**137.35**	**186.17**

1. Includes Gratuity and Post Retirement Medical Benefits (PRMB). Also refer note no. 26 and 39.

2. Provision for site restoration and rehabilitation

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	62.31	58.72
Add: Unwinding of discount	0.48	3.59
Revision in estimates*	(54.10)	-
Closing balance	**8.69**	**62.31**

*Also refer note 34 for depreciation and amortisation of site restoration assets.

3. The provisions for site restoration and rehabilitation represent the management's best estimate of the costs which will be incurred in the future to meet the Company's obligations under existing Indian law and the terms of the Company's contractual arrangements for coal mines. These amounts are calculated by considering discount rates within the range of 7% to 8%, and become payable on closure of mines and are expected to be incurred over a period of upto 5 years.

21 Other liabilities : Non current

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Government grants[1]	686.20	686.96
Total	**686.20**	**686.96**

1. Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on import of plant and equipments accounted for as government grant and being amortised over the useful life of such assets.

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as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

22 Financial liabilities -Current Borrowings :

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Current maturities of long term borrowings[5]	352.14	484.86
Packing credit[4]	200.00	-
Others[4]	-	12.75
	552.14	**497.61**
Unsecured		
Working Capital Loan[3]	-	50.00
Packing credit[1]	100.00	
	100.00	**50.00**
Total	**652.14**	**547.61**

Repayment terms and security details of short-term borrowings	As at March 31, 2023	As at March 31, 2022
1. Secured by way of hypothecation of stock and receivables upto ₹ 200 crores for 90 days at an average interest rate of 7.60%	200.00	-
2. Unsecured Packing credit for 90 days at average interest rate of 7.60%	100	-
3. Secured by way of hypothecation of stock of raw materials, work-in-progress, finished products, consumable stores and spares, bills receivables, book debts and all other movable PPE, both present and future are repayable within 180 days. Weighted average rate of interest for 2021-22 was 5.50%.	-	12.75
4. Unsecured working capital loans were for 30 days at an average interest rate of 6.45% for FY 2021-22	-	50.00
Total	**300.00**	**62.75**

4. Current maturities of long term borrowings	As at March 31, 2023	As at March 31, 2022
External commercial borrowings	-	113.34
Term loans from banks	352.14	295.93
Foreign currency term loan	-	75.59
Total	**352.14**	**484.86**

5.1. Interest, security and payment terms as detailed in note no. 19 and for movement in borrowings during the year refer note 19A.

5.2. There were no differences as reported in the quarterly returns in terms of current assets secured against borrowings outstanding during the year

23 Financial liabilities -Current Operational buyers' credit/suppliers' credit

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Operational buyers' credit/suppliers' credit	902.36	423.79
Total	**902.36**	**423.79**

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

23 Financial liabilities -Current Operational buyers' credit/suppliers' credit (Contd..)

Operational buyers' credit/suppliers' credit from ICICI Bank, YES Bank (upto ₹ 258 Crore), HDFC Bank (upto ₹ 200 Crore) and State Bank of India are secured by way of hypothecation of stock of raw materials, work-in-progress, finished products, consumable stores and spares, bills receivables, book debts and all other movable PPE, both present and future. The charges rank pari passu among banks under the multiple banking arrangements, both for fund based and non-fund based facilities. Unsecured buyers' credit/suppliers' credit is from HDFC Bank amounting ₹ 122 Crore. (beyond ₹ 200 Crore).

24 Financial liabilities - Current: Trade payables

(at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro, small and medium enterprises[4]	36.40	61.84
Total (a)	**36.40**	**61.84**
Total outstanding dues of creditors other than micro, small and medium enterprises[1,2]	1,503.42	1,249.48
Dues to related parties (also refer note no. 42)	4.15	2.86
Total (b)	**1,507.57**	**1,252.34**
Total (a+b)	**1,543.97**	**1,314.18**

1. The Company has recognised ₹ 49.34 crores expenditure on account of not meeting certain contracted obligation for suppy of power during the year ended March 31, 2023 (March 31, 2022: ₹ 16.45 crores) under "Power and fuel charges" towards consequential charges.

2. Trade payables are non-interest bearing and are normally settled up to 180 days terms.

3. Also refer note no. 36

4. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 (to the extent such parties have been identified on the basis of information available with the Company):

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	36.40	56.64
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	5.20
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

4. Ageing has been considered from the date of expiry of credit period, if available or from the date of transaction.

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24 Financial liabilities - Current: Trade payables (Contd..)

Trade payables ageing schedule as at March 31, 2023

Particulars	Unbilled	not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises - undisputed	17.00	8.46	10.94	-	-	-	36.40
(ii) Micro, Small and Medium Enterprises -disputed	-	-	-	-	-	-	-
(i) Others - undisputed	536.53	128.39	544.70	23.98	5.33	11.80	1,250.73
(ii) Others -disputed	-	-	53.71	27.98	21.37	153.78	256.84
Total	**553.53**	**136.85**	**609.35**	**51.96**	**26.70**	**165.58**	**1,543.97**

Trade payables ageing schedule as at March 31, 2022

Particulars	Unbilled	not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises - undisputed	20.82	-	27.32	7.61	3.38	2.71	61.84
(ii) Micro, Small and Medium Enterprises -disputed	-	-	-	-	-	-	-
(i) Others - undisputed	484.74	143.82	350.15	20.95	7.49	16.75	1,023.90
(ii) Others -disputed	-	-	40.45	34.50	22.33	131.16	228.44
Total	**505.56**	**143.82**	**417.92**	**63.06**	**33.20**	**150.62**	**1,314.18**

25 Financial liabilities- Current :Others

(at amortised cost and fair value through profit and loss)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	10.66	3.70
Capital creditors	139.59	132.27
Dues to related parties (refer note no. 42)	1.42	10.49
Security deposits from vendors and others	25.27	17.67
Employee Liabilities	50.09	48.68
Other liabilities[1]	12.66	106.27
Total	**239.69**	**319.08**

1. Other liabilities represent liability arising from net losses on mark to market valuation of derivatives undertaken to hedge risk of fluctuation in commodity prices.

2. For details of classification of financial liabilities and fair value hierarchy refer note no. 43.

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(All amounts in ₹ Crore, unless otherwise stated)

26 Provisions : Current

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits[1]	59.89	64.31
Disputes and claims[2]	114.28	107.55
Total	**174.17**	**171.86**

1. Includes gratuity, post retirement medical benefits (PRMB) to the extent considered current and leave encashment. Also refer note no. 39.

2. Provision for disputed cases and claims	As at March 31, 2023	As at March 31, 2022
Opening balance	107.55	54.89
Addition made during the year (Includes interest accrued on outstanding amount)	6.73	52.66
Closing balance[1]	**114.28**	**107.55**

1. Represents provision for disputed case (including interest) with Madhya Pradesh Electricity Board (MPEB)/ Chhattisgarh State Electricity Board (CSEB) amounting to ₹ 56.99 crores (March 31, 2022: ₹ 56.21 crores) for electricity duty/surcharge pending in Chhattisgarh High Court and provision for vendor disputed case related to mining and transporatation charges of raw material amounting to ₹ 57.29 crores (March 31,2022 ₹ 51.34 crores). The above provision is grossed up of amount paid under protest amounting to ₹ 33.03 crores (March 31, 2022: Nil).

27 Other liabilities : Current

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Government grants (refer note no. 21(1))	24.70	20.58
Statutory liabilities[1]	1,130.86	1,171.89
Advance from customers[2]	155.16	166.26
Total	**1,310.72**	**1,358.73**

1. Also refer note 36.

2. Advance from customers are contract liabilities and include amounts received under supply agreements. The advance payment plus interest thereon will be settled by supplying respective commodity over a period up to twelve months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are recognised as advance from customers and will be released to the income statement as respective commodity is delivered under the agreements.

28 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products and supply of power	13,059.36	13,607.02
Total	**13,059.36**	**13,607.02**

1. (a) Revenue from sale of products and supply of power comprises of revenue from contracts with customers of ₹ 13,483.91 Crore (March 31, 2022: ₹ 14,116.31 Crore) and net loss on mark-to-market of ₹ 424.55 Crore

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(All amounts in ₹ Crore, unless otherwise stated)

28 Revenue from operations (Contd..)

(Net loss on March 31, 2022: ₹ 509.29 Crore) on account of gains/losses relating to sale of products that were provisionally priced as at March 31, 2022 with the final price settled in the current year, gains/losses relating to sales fully priced during the year, and marked to market gains/losses relating to sales that were provisionally priced as at March 31, 2023.

(b) Includes ₹ 166.21 Crore (March 31, 2022: ₹ 127.21 Crore) for which contract liabilities existed at the beginning of the year.

2. The Company has long term agreement with Chhattisgarh State Power Trading Company Limited (CSPTrdCL) to supply power at variable cost. The Company had recognised revenue on the basis of yearly provisional tariff. CSERC vide order dated December 20, 2021 has determined the tarrif price mechanism for FY 2018-19 and FY 2019-20. Based on the aforesaid order issued by CSERC, the Company has reversed revenue to the extent of ₹ 20.51 Crore. Management expects that the tariff pricing mechanism set out in the aforesaid order will be followed for subsequent Years for which the Company's tariff petition is pending before the CSERC. Accordingly, the Company has recognised incremental revenue of ₹ 6.48 Crore and ₹ 7.53 Crore for FY 2020-21 and FY 2021-22 respectively, reversed revenue of ₹ 1.25 Crore in accordance with the tariff pricing mechanism set out in the said order.

3. Performance obligation pending on the year end in respect of sale of products to customers are immaterial and hence not disclosed separately

4. For details on disaggregation of revenue, refer note 41E.

5. Majority of the Company's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within the normal credit period. As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the financial statements. Further, there is no material difference between the contract price and the revenue from contract with customers.

29 Other operating income

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
(i) Export incentives	90.66	54.59
(ii) Scrap sales	69.15	28.49
(iii) Miscellaneous income[1]	28.61	26.31
Total	**188.42**	**109.39**

1. Miscellaneous income majorily includes scrap sales and sale of Energy saving certificates.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

30 Other income

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Net gain on investments measured at fair value through profit or loss	7.68	22.32
Interest Income from financial assets at amortised cost		
(i) Bank deposits	2.87	12.89
(ii) Others[3]	78.68	117.69
Net gain on foreign currency transactions and translation	-	14.10
Gain on sale/discard of property, plant and equipments	13.93	-
Miscellaneous income[1]	121.43	34.87
Deferred Government grant income[2]	24.03	20.57
Total	**248.62**	**222.44**

1. Miscellaneous income mainly includes liability no longer required written back of ₹ 19.45 crores (March 31, 2022: ₹ 15.50 Crore) and reversal of site restoration liability of ₹ 54.09 crores. Refer note 34.2

2. Income from deferred government grants is amortised over the useful life of related assets. For nature of Government grant refer note no 21(1).

3. Include ₹ 5.23 Crore on March 31, 2023 (March 31, 2023: ₹ 84.30) on account of late payment surcharge on delayed payments. As per the terms of power sales agreement, the Company is entitled to receive late payment surcharge on delayed payment at SBI PLR rate.

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

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Opening inventories		
Finished goods	6.07	5.77
Work in progress	255.58	195.22
By products	10.04	5.93
	271.69	**206.92**
Closing inventories		
Finished goods	-	6.07
Work in progress	383.49	255.58
By products	0.41	10.04
	383.90	**271.69**
Finished Goods/Work in progress consumed for asset under construction	143.47	3.48
Total	**(255.68)**	**(68.25)**

32 Employee benefits expense

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
(a) Salaries and wages (refer note no. 42)[1,3,4]	277.44	275.72
(b) Contributions to provident and other funds (refer note no. 39)	20.25	19.59
(c) Gratuity expense	4.47	4.42

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as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

32 Employee benefits expense (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(d) Staff welfare expenses	43.03	31.84
(e) Long term incentive plan (LTIP)[2]	6.33	3.57
Total	**351.52**	**335.14**

1. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2. **Long term incentive plan (LTIP)**

   The Company offers equity-based incentives to its employees, officers and directors as part of similar incentive plan of its parent, Vedanta Resources Limited (earlier known as Vedanta Resources Plc), [The Vedanta Resources Long-Term Incentive Plan (""LTIP""), Employee Stock Ownership Plan (""ESOP"") and Performance Share Plan ("PSP")] and Vedanta Limited [Vedanta Limited - Employee Stock Option Scheme ("Vedanta Limited- ESOS")]. Vedanta Limited- Employee Stock Option Scheme 2016 ("ESOS"), was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based, sustained individual performance based and market performance based stock options. The maximum value of options that can be awarded to members of the wider management group is calculated by reference to the grade average cost-to-company (""CTC"") and individual grade of the employee. The performance conditions attached to the option is measured by comparing Company's performance in terms of Total Shareholder Return (""TSR"") over the performance period with the performance of two group of comparator companies (i.e. Indian and global comparator companies) defined in the scheme. The extent to which an option vests will depend on the Company's TSR rank against a group or groups of peer companies at the end of the performance period and as moderated by the Remuneration Committee. In respect of options granted during the year ended March 31, 2022 & March 31, 2021, business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, ECG & Carbon footprint or a combination of these for the respective business/ SBU entities. Further, vesting of some of the options will be based on sustained individual performance. The exercise price of the options is ₹ 1 per share and the performance period is three years, with no re-testing being allowed. The fair value of all options has been determined at the date of grant of the option allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Group's estimate of the number of options that will eventually vest as a result of non-market conditions, is expensed over the vesting period. The fair values were calculated using the Black-Scholes Model for tenure based and EBIDTA based options and Monte Carlo simulation model for TSR based options.

   Further, in accordance with the terms of the agreement between the Parent and the Company, the fair value of the awards as on the grant date is recovered by the Parent from its subsidiaries. Amount recovered by Vedanta Limited and recognized by the Company in the Statement of Profit and Loss for the year ended March 31, 2023 is ₹ 6.33 Crore (March 31, 2022 : ₹ 3.57 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

3. Remuneration paid to an erstwhile whole-time director (who ceased to be a whole-time director with effect from February 15, 2023) is in excess of the limits prescribed under section 197 of the Act, read with Schedule V thereto, by ₹ 3.77 Crores. The waiver of recovery of excess remuneration is pending approval from the shareholders of the company in the ensuing Annual General Meeting. A whole-time director was appointed by the Board of Directors with effect from February 15, 2023. The terms

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

32 Employee benefits expense (Contd..)

and conditions of the appointment and remuneration have been approved by the Board of Directors and is pending approval of the shareholders of the Company.

4. Net of capitalisation of ₹ 29.03 crores (March 31, 2022: ₹ 5.96 crores)

33 Finance Cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense[1]	170.33	208.32
Other finance cost	7.61	14.93
Net interest on defined benefit obligation	10.33	9.49
Net loss on foreign currency transactions and translation (considered as finance cost)	-	6.75
Less: Capitalisation of Finance cost[2]	(54.10)	(10.92)
Total	**134.17**	**228.57**

1. Interest expense on lease liabilities amounts to ₹ NIL (March 31, 2022: ₹ 0.18 Crore).

2. Interest rate of 7.46% (March 31, 2022: 6.38%) was used to determine the amount of general borrowing costs eligible for capitalization amounting to ₹ 47.37 crores (March 31, 2022: ₹ 10.92 crores) in respect of qualifying asset for the year ended March 31, 2023. Further, interest has been capitalized amounting to ₹ 6.73 crores (March 31, 2022: Nil) related to specific borrowing at an average interest rate of 8.38% (March 31, 2022: Nil).

34 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Tangible assets[1,2] (Refer note no. 4)	624.51	569.64
Intangible assets (Refer note no. 5)	0.30	0.28
Total	**624.81**	**569.92**

1. The company has re-assesed the remaining useful life of certain assets and based on which depreciation is increased by ₹ 36.25 Crore (March 31, 2022: ₹ 51.67 Crore).

2. During year ended March 31, 2022, the Company had exercised its right to surrender its coal block mining lease to the government through an application dated June 30, 2021 citing various grounds including non-extension of force majeure, low grades of coal, availability of coal at lower costs from alternative sources. Company has reassessed its unamortised site restoration asset and other assets aggregating ₹ 48.17 Crore and based on such assessment, the amount of ₹ 48.17 Crore was fully depreciated last year. However, pending determination of the Company's ultimate site restoration obligation on acceptance of surrender of mining rights by the Ministry of mines, Government of India, management had considered it prudent to carry forward the site restoration liability and remaining assets which was expected to be recovered from the successful bidder. During the current year, the Company has withdrawn its surrender application of mines which has been accepted by the Nominated Authority. Based on the withdrawal approval, the Company has started production and has re-estimated the quantum of coal reserves in that block. Accordingly additional depreciation of ₹ 66.75 Crores has been recognised in respect of coal extracted during the year and reversal of site restoration liability of ₹ 54.09 Crores recognised under "Other Income".

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

35 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spare parts	218.91	180.06
Repairs and maintainance		
Plant and machinery	391.12	325.73
Buildings	39.00	24.81
Others	94.76	95.44
Other manufacturing and operating expenses	70.66	40.55
Rent*	1.47	1.34
Rates and taxes	11.72	15.00
Insurance	34.47	35.13
Loss on sale/discard of property, plant and equipments	-	10.82
Commission/sitting fees to directors	0.88	0.99
Payments to auditors[1]	1.26	1.30
Net loss on foreign currency transactions and translation (other than considered as finance cost)	47.37	-
Consultants and professional fees	33.81	29.09
Corporate Social Responsibility Expenses[2]	34.65	12.52
Carriage outwards	160.06	211.17
Miscellaneous expenses	134.47	118.22
Total	**1,274.61**	**1,102.17**

*Represents expense on short term/low value leases

1. Payments to auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
For statutory audit	0.66	0.47
For parent company reporting (including quarterly reviews)	0.47	0.74
For other services	0.03	0.07
Reimbursement of expenses	0.10	0.02
Total	**1.26**	**1.30**

2. Corporate Social Responsibility Expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross amount required to be spent by the Company during the year	34.65	12.52
Amount approved by the Board to be spent during the year	34.23	44.22
Amount spent in cash on :		
Construction/acquisition of assets	-	-
On purposes other than above*	23.85	39.40
Amount yet to be paid in cash	-	-
Total amount spent	**23.85**	**39.40**

* Includes ₹ 13.00 Crore (March 31, 2022: 27.53 crore) paid to a related party.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

35 Other expenses (Contd..)

Details of CSR activities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A) Donation to related party(VMRF)		
i) Health care	13.00	27.53
B) Other than related party		
i) Gender equlity and women empowerment	2.87	1.00
ii) Health care	1.52	0.95
iii) Promotion of education	4.71	1.14
iv) Livelihood enhancement projects	-	0.84
v) Rural development projects and others	1.71	0.86
vi) Sanitation works	0.04	0.03
vii) Safe drinking water	-	-
viii)Disaster management	-	7.05
Total	**23.85**	**39.40**

The Company has an excess CSR spent of ₹ 62.14 Crore for it proposes to offset against future obligations and has recognised the same as an asset in the balance sheet:

Opening Balance	Required to be spent during the year	Actual Spent during the year	Utilised from excess spent	Closing balance of excess spent to be carry forwarded to next year*
72.94	34.65	23.85	10.80	62.14

*Based on the expectation, the company is expected to utilise ₹ 36.29 crores within the next financial year

36 Exceptional items

(i) During the year ended March 31, 2022, Ministry of Environment, Forest & Climate Change, Government of India (MoEF&CC) has notified guidelines for thermal power plants for disposal of fly ash and bottom ash produced during power generation process. Effective 01 April 2022, the notification has introduced a three-year cycle to achieve average ash utilisation of 100 per cent. The first three-year cycle is extendable by another one year or two years where ash utilisation percentage is in the range of 60-80 per cent or less than 60 per cent, respectively. Further, unutilised accumulated ash, i.e., legacy fly ash stored with such power plants prior to the date of this notification is required to be utilized fully over a ten year period with minimum twenty percent, thirty percent and fifty percent utilisation in year 1, year 2 and years 3-10 respectively.Such provisions are not applicable where ash pond or dyke has stabilised and the reclamation has taken place with greenbelt or plantation. The Company had performed detailed evaluations for its obligations under this notification and had recognised estimated cost aggregating ₹ 214.60 crore towards legacy fly ash utilisation and reclamation costs as an exceptional item in the previous year.

37 Earnings per share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax for the year	42.43	2,736.19
Weighted number of ordinary shares for basic EPS	22,06,24,500	22,06,24,500
Nominal value of ordinary share (in ₹ per share)	10.00	10.00
Basic and Diluted earnings for ordinary shares (in ₹ per share)	**1.92**	**124.02**

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

38 Tax expense

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax:		
Current tax on profit for the year	0.83	410.72
Credit in respect of exceptional items	-	(54.01)
Total Current Tax (a)	**0.83**	**356.71**
Deferred tax:		
Origination and reversal of temporary differences- other than exceptional items	29.68	463.28
Charge in respect of exceptional items	-	-
Total deferred tax (b)	**29.68**	**463.28**
Total tax charge:	**30.51**	**819.99**
Accounting profit before tax	72.94	3,556.18
Effective income tax rate	**41.82%**	**23.06%**

(b) A reconciliation of income tax expense/ (credit) applicable to accounting profits before tax/ (loss) at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax for the year ended	**72.94**	**3,556.18**
Indian statutory income tax rate (%)	25.168%	25.168%
Tax at Indian statutory income tax rate	**18.36**	**895.02**
Disallowable expenses	7.41	3.56
Tax charge in respect of earlier years (Refer Note 40(iii)(iii)	4.74	(78.60)
Tax charge for the year	**30.51**	**819.99**

1. There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters.

(c) Deferred tax assets/liabilities (net)

The Company has recognised deferred tax assets on unabsorbed depreciation and carry forward business losses based on reasonable evidence of future taxable profits based on the Company's present estimates and business plans.

Significant components of deferred tax (assets) & liabilities recognized in the financial statements

Particulars	April 1, 2022	Charged / (credited) to statement of profit and loss	Charged / (credited) to other comprehensive income	Reclassed to income tax assets	March 31, 2023
Property, Plant and Equipment	972.22	59.65	-	-	1,031.87
Voluntary retirement scheme	(6.97)	2.58	-	-	(4.39)
Employee benefits	(32.34)	2.34	(0.68)	-	(30.68)
Fair valuation of derivative asset/liability	(15.32)	(0.10)	11.72	-	(3.70)

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

38 Tax expense (Contd..)

Particulars	April 1, 2022	Charged / (credited) to statement of profit and loss	Charged / (credited) to other comprehensive income	Reclassed to income tax assets	March 31, 2023
Fair valuation of other asset/ liability	(3.84)	-	-	-	(3.84)
Unabsorbed depreciation/ business losses	-	(97.68)	-	-	(97.68)
Others temporary differences	(220.13)	62.88	-	-	(157.25)
Total	**693.62**	**29.67**	**11.04**	**-**	**734.33**

Particulars	April 1, 2021	Charged / (credited) to statement of profit and loss	Charged / (credited) to other comprehensive income	Reclassed to income tax assets	March 31, 2022
Property, Plant and Equipment	896.61	75.61	-	-	972.22
Voluntary retirement scheme	(9.54)	2.57	-	-	(6.97)
Employee benefits	(38.47)	7.08	(0.95)	-	(32.34)
Fair valuation of derivative asset/liability	(6.24)	(4.46)	(4.62)	-	(15.32)
Fair valuation of other asset/ liability	(3.84)	-	-	-	(3.84)
Unabsorbed depreciation/ business losses	(373.05)	373.05	-	-	-
Others temporary differences	(229.56)	9.43	-	-	(220.13)
Total	**235.91**	**463.28**	**(5.57)**	**-**	**693.62**

(d) Non-current tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets*	56.82	13.19
Total	**56.82**	**13.19**

*Represent income tax receivable from Indian tax authorities by the Company

(e) Current tax liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax liabilities*	10.69	19.26
Total	**10.69**	**19.26**

*Represent income tax payable to Indian tax authorities by the Company

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

39 Employee benefit plans

A Defined contribution plans

Family pension scheme

The Company offers its employees benefits under defined contribution plan in the form of family pension scheme. Family pension scheme covers all employees on the roll. Contributions are paid during the year into the fund under statutory arrangements. The contribution to family pension fund is made only by the Company based on prescribed rules of family pension scheme. The contributions are based on a fixed percentage of the employee's salary, subject to a ceiling, as prescribed in the respective scheme. A sum of ₹ 2.37 Crore (March 31, 2022: ₹ 2.60 Crore) towards family pension scheme has been charged to the statement of profit and loss during the year under the head employee benefit expense.

Superannuation

The Company offers benefits under defined contribution plan in the form of Superannuation fund for certain specified employees. Contributions are paid during the year into the fund. A sum of ₹ 1.59 Crore (March 31, 2022: ₹ 1.84 Crore) towards superannuation fund premium has been charged to the Statement of Profit and Loss during the year under the head employee benefit expense.

B Defined benefit plans

(I) Provident fund

Bharat Aluminium Company Limited Employee's Contributory Provident Fund' ('Trust') is exempted under section 17 of Employees Provident Fund Act, 1952. The conditions for grant of exemption stipulate that the employer shall make good the deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on actuarial valuation in accordance with Ind AS 19 and Guidance note issued by the Institute of Actuaries of India for interest rate guarantee of exempted provident fund liability of employees, there is no interest shortfall in the funds managed by the Trust that is required to be met by the Company as of March 31, 2023 and March 31, 2022. Having regard to the assets of the Trust and the return in the investments, the Company also does not expect any deficiency in the foreseeable future. A sum of ₹ 15.75 Crore (March 31, 2022: ₹ 14.67 Crore) has been charged to the statement of profit and loss in this respect during the year under the head employee benefit expense. The discount rate used for calculating the present value of the obligation is 7.39% (March 31, 2022: 7.14%). Expected rate of return on plan assets is 8.15% (March 31, 2022: 8.1%). The present value of obligation and fair value of plan assets of the trust are summarised below:

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets	668.55	634.67
Present value of defined benefit obligations	650.56	602.23
Net liability arising from defined benefit obligation of the trust	**Nil**	**Nil**

Percentage allocation of plan assets of trust are as below:

Assets by category	March 31, 2023	March 31, 2022
Government securities	45.12%	46.50%
Debentures/bonds	38.31%	36.51%
Equity (includes money market)	16.57%	16.99%

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(All amounts in ₹ Crore, unless otherwise stated)

39 Employee benefit plans (Contd..)

(II) Defined benefit plans- Unfunded

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation as at and for the year ended are as follows:

Assets by category	March 31, 2023	March 31, 2022
Discount rate	7.39%	7.14%
Expected rate of increase in compensation level of covered employees	5% to 7%	5% to 7%
Medical inflation	5% to 7%	5% to 7%

Assumptions regarding mortality rates are based on mortality tables of 'Indian Assured Lives Mortality (2012-2014)' published by the Institute of Actuaries of India. Assumptions regarding post retirement mortality are based on LIC a (96-98) ultimate.

(1) Gratuity - long term defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company (also refer note no. 32). Based on actuarial valuations conducted as at year end using the projected unit credit method, a provision is recognised in full.

(2) Post Retirement Medical Benefits (PRMB)

The scheme is framed with a view to provide medical benefits to the regular employees of the Company and their spouses subsequent to their retirement on completion of tenure, retirement on medical grounds and voluntary retirement on contributory basis subject to provisions as detailed hereunder; the obligation under this plan is unfunded.

Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation.

Details of Actuarial Valuation carried out on balance sheet date are as under:"

Amount recognised in the balance sheet consists of:

Particulars	March 31, 2023		March 31, 2022	
	Gratuity	PRMB	Gratuity	PRMB
Present value of defined benefit obligations	82.26	66.63	85.01	59.68
Net liability arising from defined benefit obligations	**82.26**	**66.63**	**85.01**	**59.68**

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

39 Employee benefit plans (Contd..)

Amounts recognised in the statement of profit and loss are as follows:

Particulars	March 31, 2023		March 31, 2022	
	Gratuity	PRMB	Gratuity	PRMB
Current service cost	4.47	0.54	4.42	0.48
Net Interest cost	6.07	4.26	5.90	3.59
Total charge to the statement of profit and loss	**10.54**	**4.80**	**10.32**	**4.07**

Amounts recognised in other comprehensive income are as follows:

Particulars	March 31, 2023		March 31, 2022	
	Gratuity	PRMB	Gratuity	PRMB
Re-measurement losses/ (gains) arising from changes in demographic assumptions	-	-	-	-
Re-measurement (gains) arising from changes in financial assumptions	(2.37)	(1.53)	(2.30)	(1.36)

Particulars	March 31, 2023		March 31, 2022	
	Gratuity	PRMB	Gratuity	PRMB
Re-measurement losses/(gains) arising from experience adjustments	(1.09)	7.68	0.04	7.41
Re measurement losses/(gains) recognised in OCI	**(3.46)**	**6.15**	**(2.26)**	**6.04**

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

Particulars	March 31, 2023		March 31, 2022	
	Gratuity	PRMB	Gratuity	PRMB
Opening balance	85.01	59.68	85.542	52.04
Current service cost	4.47	0.54	4.420	0.48
Benefits (paid)	(9.83)	(4.00)	(8.594)	(2.48)
Interest cost of scheme liabilities	6.07	4.26	5.902	3.59
Re-measurement losses/ (gains) arising from changes in demographic assumptions	-	-	-	-

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as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

39 Employee benefit plans (Contd..)

Particulars	March 31, 2023		March 31, 2022	
	Gratuity	PRMB	Gratuity	PRMB
Re-measurement losses/(gains) arising from changes in financial assumptions	(2.37)	(1.53)	(2.303)	(1.36)
Re-measurement losses /(gains) arising from experience adjustments	(1.09)	7.68	0.04	7.41
Closing balance	**82.26**	**66.63**	**85.01**	**59.68**
Current liability	9.01	11.24	10.10	10.73
Non Current liability	73.25	55.39	74.91	48.95

The weighted average duration of the defined benefit obligation is 17.09 years for the year ended March 31, 2023 and 16.85 years for year ended March 31, 2022.

The gratuity scheme of the Company is unfunded, hence there was no plan asset as at March 31, 2023 and March 31, 2022.

C Sensitivity analysis for Defined Benefit Plan

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the balance sheet. Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Increase / (decrease) in defined benefit obligation	March 31, 2023		March 31, 2022	
	Gratuity	PRMB	Gratuity	PRMB
Discount rate				
Increase by 0.50%	(4.45)	(3.05)	(4.50)	(2.73)
Decrease by 0.50%	4.85	3.35	4.92	3.00
Expected rate of change in compensation level of covered employees				
Increase by 0.50%	1.66	3.09	2.15	2.77
Decrease by 0.50%	(1.90)	(3.41)	(2.56)	(3.06)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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(All amounts in ₹ Crore, unless otherwise stated)

39 Employee benefit plans (Contd..)

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

D Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

(1) Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. Salary increase considered @ 7%/5% (executive and workman) (March 31, 2022 7% for executives and 5% for workmen). As such, an increase in the salary of the plan participants will increase the plan's liability. Effect of salary revisions through Long Term Settlements for workmen have also been considered.

(2) Life expectancy / Longevity risks

The present value of the defined benefit plan liability is calculated by reference to the best estimates of the mortality of plan participants both during and after their employment. Mortality tables as per Indian Assured Lives Mortality (2012-14) modified Ult. and LIC a(96-98) ultimate is used for during the employment and post retirement period respectively. An increase in the life expectancy of the plan participants will increase the plan's liability.

(3) Interest rate risks

A decrease in the bond interest rate will increase the plan liability.

(4) Inflation risks

The present value of the defined benefit plan liability is calculated using 7.39% inflation rate (March 31, 2022: 7.14%). As such, a decrease in the inflation rate will increase the plan's liability.

E Compensated Absences

The Company has provided for the liability on the basis of actuarial valuation using the projected unit credit method. Entire provision of ₹ 39.65 Crore as on March 31, 2023 and ₹ 43.49 Crore as on March 31, 2022 has been presented as current, since the Company does not have an unconditional right to defer the settlement of these obligations.

40 Commitments, Contingencies and Guarantees

(to the extent not provided for)

(i) Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital and other commitments		
Commitments for Joint Ventures*	310.00	250.00
Capital Commitments	6,933.78	4,985.12
Total	**7,243.78**	**5,235.12**

*During FY 2021-22 and 2022-23 , the Company has executed new Power Delivery Agreements ("PDA") with Serentica group companies (Serentica Renewables India 1 Private Limited, and Serentica Renewables India 7 Private Limited respectively), which are associates of Volcan, for procuring

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40 Commitments, Contingencies and Guarantees (Contd..)

renewable power over twenty five years from date of commissioning of the combined renewable energy power projects ("the Projects") on a group captive basis. These Serentica group companies were incorporated for building the Projects. During the current year, the Company has invested ₹ 75 Crore in Optionally Convertible Redeemable Preference shares ("OCRPS") of ₹ 10 each of Serentica group companies. These OCRPS will be converted into equity basis conversion terms of the PDA, resulting in Company's holding twenty six percent stake in its equity. As at 31 March 2023, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 310 Crore (31 March 2022: ₹ 250 Crore).

(ii) Contingencies*

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Claims against the Company not acknowledged as debts are as follows :		
i. Energy Development Cess claimed by the Government of Chhattisgarh - matter pending final hearing by the Supreme Court on Special Leave Petition filed by the Government of Chhattisgarh.	1,126.00	1,051.76
ii. Relating to Suppliers and Contractors - Matter pending in Court / arbitration.	17.15	17.15
iii. Electricity surcharge - Matter pending with Chhattisgarh State Electricity Board	918.13	733.11
iv. Relating to application filed alleging the use of forest land for non-forest purposes (Refer note 4)	156.00	156.00
v. Relating to coal block matters	131.00	147.76
vi. Regulatory and other matters	108.55	119.82
(b) Indirect tax matters - Various matters decided in favour of the Company against which the department has preferred appeal or the Company is in appeal against notices received from department (Mainly on account of show cause notices received from Commissioner of Central Excise for availment of Cenvat credit on inputs/capital goods used for production of finished goods and entry tax demand for raw materials procured, disallowance of refund of GST Compensation Cess on account of power supply.)	20.70	36.57
Total	**2,477.53**	**2,262.17**

* Future cash outflows in respect of the above matters will be determined only on receipt of judgments / decisions pending at various forums / authorities. Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has good chance of success in above mentioned matters and hence no provision against them is considered necessary.

(iii) Other matters

i) The Ministry of Environment, Forest and Climate Change (MOEF&CC) had amended Environment (Protection) Amendment Rules 2015 with the primary aim of minimizing pollution in Thermal Power plants. Accordingly, the Company was required to install Flue Gas Desulphurization (FGD) units by June 30, 2020 for CPP Units and by September 30, 2021 for IPP Unit as per deadline stated by Central Pollution Control Board (CPCB). During the year ended March 31, 2021, the Company had entered into a letter of Intent with vendor to complete the FGD installation. Timeline has been further extended to December 31, 2023 as per the notification released by MoEF&CC on March 31, 2021.

ii) Income tax demands have been raised mainly on account of depreciation allowance, tax holiday benefits and interest thereon which are pending at various levels of appeals. Management considers these disallowances as not tenable against the Company, and hence considered as remote.

Notes to the financial statements
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(All amounts in ₹ Crore, unless otherwise stated)

40 Commitments, Contingencies and Guarantees (Contd..)

iii) During FY 21-22, the Company has re-evaluated its position in respect of additional depreciation of ₹ 311.90 crore, which was not carried forward on adoption of new income tax regime in financial year 2020-21. Based on such revaluation and supported by a tax opinion obtained in this regard, the Company had taken the position that aforesaid additional depreciation had already been utilised against taxable profits in the Assessment Years prior to adoption of aforesaid new tax regime and all remaining unabsorbed depreciation are normal depreciation. Accordingly, the Company had utilised the aforesaid unabsorbed depreciation of ₹ 311.90 crore as normal depreciation against its last year's taxable profit, which resulted in reduction of current tax liability by ₹ 78.50 crore.

iv) The company has met its export obligations on account of concessinal rates of import duty paid on capital goods under the Export Promotion of Capital Goods (EPCG)Scheme

(iv) Guarantees

i) Corporate guarantee given to Vedanta Medical Research Foundation (VMRF) in respect of certain long-term borrowings is Nil (March 31, 2022: ₹ 0.39 Crore).

ii) Bank guarantees given to various agencies, suppliers and government authorities for various purposes amounting to ₹ 284.73 Crore (March 31, 2022: ₹ 272.24 Crore).

41 Segment information

A Basis of segmentation

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015, as amended). For management purposes and based on information provided to the Company's Chief Operating Decision Maker, the Company is organized into business units based on its products and services and has two reportable segments as follows:

(a) Aluminium ; (b) Power.

Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. Segment profit (Earnings before interest, depreciation and amortization, and tax) amounts are evaluated regularly by the Board that has been identified as its chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.

Notes to the financial statements
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(All amounts in ₹ Crore, unless otherwise stated)

41 Segment information (Contd..)

B Information about reportable segments

Particulars	March 31, 2023				March 31, 2022			
	Aluminium	Power	Eliminations	Total	Aluminium	Power	Eliminations	Total
Revenue								
External revenue	12,800.88	258.48	-	13,059.36	13,182.10	424.92	-	13,607.02
Inter segment Revenue		218.44	(218.44)	-		107.27	(107.27)	-
Segment revenue	**12,800.88**	**476.92**	**(218.44)**	**13,059.36**	**13,182.10**	**532.19**	**(107.27)**	**13,607.02**
Segment results before depreciation, finance costs, unallocated income/ expense and tax*	**813.70**	**(58.30)**	**-**	**755.40**	**4,353.76**	**84.15**	**-**	**4,437.91**
Less : Depreciation and amortisation expense	(592.13)	(32.69)	-	(624.82)	(537.45)	(32.47)	-	(569.92)
Less : Finance costs	-	-	-	(134.17)	-	-	-	(228.56)
Less : Unallocated income/expenses	-	-	-	76.54	-	-	-	131.35
Add/(less) : Exceptional items	-	-	-	-	(177.60)	(37.00)	-	(214.60)
Net profit / (loss) before tax	**221.57**	**(90.99)**	**-**	**72.94**	**3,638.71**	**14.68**	**-**	**3,556.18**
Segment assets	12,783.28	1,254.89	-	14,038.17	11,815.26	1,479.88	-	13,295.14
Investments	-	-	-	216.29	-	-	-	305.18
Income tax/deferred tax assets	-	-	-	56.82	-	-	-	13.19
Cash & Cash Equivalents (including other bank balances & bank deposits)	-	-	-	343.11	-	-	-	446.51
Others	-	-	-	0.01	-	-	-	2.86
Total assets	**12,783.28**	**1,254.89**	**-**	**14,654.39**	**11,815.26**	**1,479.88**	**-**	**14,062.88**
Segment liabilities	4,762.38	258.31	-	5,020.69	4,260.28	229.63	-	4,489.92
Borrowings	-	-	-	1,135.02	-	-	-	1,144.90
Others	-	-	-	751.56	-	-	-	756.18
Total liabilities	**4,762.38**	**258.31**	**-**	**6,907.27**	**4,260.28**	**229.63**	**-**	**6,391.00**

* Based on Chief Operating Decision Maker's assessment of performance of segments, charge of ₹ 121.13 crores reported under power and fuel expenses in respect of short-supply of power under Long Term Supply Agreement ("LTSA") by Power Segment due to inter-segment sale of power and transmission line constraints arising from import of power by Aluminium Segment from third parties consequent to short supply of coal has been considered as cost of supply of power under Long Term Power Supply Agreements by Power Segment to third parties.

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

41 Segment information (Contd..)

C Geographical segment analysis

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

Assets by category	March 31, 2023	March 31, 2022
Revenue based on geographical information for the year ended		
India	9,074.74	7,348.58
Netherlands	851.92	556.80
Mexico	771.43	222.05
Malaysia	469.26	-
Turkey	450.32	1,112.82
Italy	334.99	752.12
Others	1,106.70	3,614.65
Total	**13,059.36**	**13,607.02**
Carrying amount of non current assets[1] based on location of assets as at		
India	11,457.30	10,679.90
Outside India	-	-
Total	**11,457.30**	**10,679.90**

1. Excluding financial assets and tax assets.

D Information about major customers

Revenue from one customer amounted to ₹ 1668.98 Crore (March 31, 2022: ₹ 2246.42 Crore) arising from sales made in the aluminium segment. No other customer contributed to more than 10% of revenue.

E Disaggregation of revenue

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Sale of goods:		
-Aluminium Ingot, Alloy Ingots	7,858.04	9,326.03
- Wire rods	3,821.79	3,041.05
- Rolled products	723.58	843.05
- By product	4.38	10.54
Power wheeling	359.17	726.97
Commodity hedging gain/(loss)	292.40	(340.62)
Total	**13,059.36**	**13,607.02**

42 Related party disclosures

A Names of related parties and description of relation :

(i) Entities controlling the Company (Holding Companies)

Vedanta Limited (VL)- Immediate Holding Company (Holding 51 % equity shares in the Company)

Volcan Investments Limited (Ultimate Holding Company)

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

42 Related party disclosures (Contd..)

(ii) Related parties other than holding companies with whom transactions have taken place during the year

(a) Fellow subsidiaries

Hindustan Zinc Limited (HZL)

Maritime Ventures Private Limited (MVPL)

Talwandi Sabo Power Limited (TSPL)

Vizag General Cargo Berth Pvt. Limited (VGCB)

Sterlite Technologies Limited (STL)

Sterlite Power Transmission Limited (SPTL)

Electrosteel Steels Limited (ESL)

Ferro Alloys Corporation Ltd (FACOR)

(b) Others

Serentica Renewables India 1 Private Limited - Associate of Ultimate Parent Company

Serentica Renewables India 7 Private Limited - Associate of Ultimate Parent Company

Vedanta Foundation(VF) - Key managerial personnel of Holding Company are trustees of the foundation

Vedanta Medical Research Foundation (VMRF) - Public Company (registered under section 8 of The Companies Act, 2013) with common director between the Company and VRMF

BALCO Employee Provident Fund Trust- Post employment benefit plan

Runaya Refining LLP- Partners are relative of Director and KMP of Holding Company

(iii) Government as a related party

Government of India - President of India (Holding 49 % shares in the Company)

(iv) Key management personnel

(a) Non Executive Director	Mr. Sushil Kumar Roongta (till 14th July 2022)
	Mr. Tarun Jain
	Ms. Nirupama Kotru (Government nominee)
	Mr. Shakil Alam (Government nominee) (till 19th November 2022)
	Mr. Mustaq Ahmed (Government nominee) (till 27th March 2023)
	Ms. Farida Mahmood Naik (Government Nominee)
	(From 21st November 2022)
	Mr. Sanjeev Verma (Government nominee) (From 26th Jan 2023)
(b) Independent Directors	Mr. Sushil Kumar Roongta (From 14th July 2022)
	Mr. Din Dayal Jalan
	Mr. Arun Todarwal (till 30th June 2022)
	Mr. Anoop Kumar Mittal (From 19th October 2022)

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42 Related party disclosures (Contd..)

(c) CEO and Whole-time Director Mr. Abhijit Pati (till 15th February 2023)

Mr. Rajesh Kumar (From 15th February 2023)

(d) Chief financial officer Mr. Amit Gupta

(e) Company Secretary Mr. Prateek Jain

B Transactions with related parties

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Revenue from operations		
Vedanta Limited (including high sea sales)	341.32	583.86
HZL	35.93	43.61
SPTL	202.37	185.84
ESL	-	1.12
Total	**579.62**	**814.43**
Rent income		
Vedanta Limited	9.21	7.19
Purchase of goods/services		
Vedanta Limited (including high sea purchases)	937.12	1,175.33
VGCB	5.36	2.56
MVPL	10.67	2.66
Runaya Refining LLP	24.43	2.75
Total	**977.58**	**1,183.30**
Corporate Social Responsibility Expenditure		
Vedanta Foundation	-	0.07
VMRF (Refer note 35(2))	13.00	27.53
Total	**13.00**	**27.60**
Corporate Guarantee of VMRF (relinquished)	(0.39)	(4.35)
Recovery/(reimbursement) of Expenses		
Vedanta Limited	(45.43)	(51.45)
HZL	(0.21)	(0.24)
TSPL	(0.07)	0.10
ESL	(0.05)	(0.27)
VGCB	(0.01)	0.06
STL	-	0.01
FACOR	(0.13)	(0.00)
VMRF	(0.63)	(0.17)
Total	**(46.53)**	**(51.96)**
Purchase/(sale) of Property, Plant and Equipments		
Vedanta Limited	0.06	(40.12)
HZL	(0.00)	0.01
SPTL	1.27	-
ESL	(0.13)	-
TSPL	0.07	-
Total	**1.27**	**(40.11)**

Notes to the financial statements

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42 Related party disclosures (Contd..)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Investments made		
Serentica Renewables India 1 Private Limited	75.00	-
Remuneration to KMPs (Refer Note 32)		
Short term employee benefits	7.70	7.26
Post employment benefits	0.12	0.17
Other long term benefits*	0.15	0.14
Total	**7.97**	**7.57**
Commission/sitting fees to directors	0.88	0.99
Contribution to post retirement employee benefit trust	**15.75**	**14.67**

Includes reimbursement towards other expenses and employee benefits expense.

*Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence amount cannot be determined individually.

The receivables from and payables to related parties as at March 31, 2023 and March 31, 2022 are set out below:

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable from:		
Vedanta Limited	4.70	2.85
HZL	-	2.06
CAIRN	0.01	-
TSPL	0.01	-
ESL	0.01	-
Total	**4.74**	**4.91**
Payable to:		
Vedanta Limited	1.39	9.81
MVPL	-	0.45
HZL	0.34	-
VGCB	-	0.34
Runaya Refining LLP	3.79	2.75
SPTL	2.81	0.05
FACOR	0.05	-
Balco Employees Provident Fund Trust	5.53	5.30
VMRF	0.04	-
Total	**13.95**	**18.70**
Investments in		
Serentica Renewables India 1 Private Limited*	75.00	-
Total	**75.00**	**-**
Corporate Guarantee outstanding		
VMRF	-	0.39
Total	**-**	**0.39**

*During the financial year 2021-22, the Company has executed a Power Delivery Agreement ('PDA') with Serentica Renewables India 1 Private Limited ('Serentica 1'), created for building a renewable energy power project ("the Project")of approximately 200 MW, on a group captive basis. Under the terms of the PDA, the Company is expected to infuseequity of approximately ₹ 250 crore(of which 75 crores is paid until 31st March 2023) for procuring renewable power on a fixed tariff over twenty five years from the date of commissioning of the Project.

Notes to the financial statements

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42 Related party disclosures (Contd..)

During the financial year 2022-23, the Company has executed a Power Delivery Agreement ('PDA') with Serentica Renewables India 7 Private Limited ('Serentica 7'), created for building a renewable energy power project ("the Project")of approximately 105 MW, on a group captive basis. Under the terms of the PDA, the Company is expected to infuse equity of approximately ₹ 135 crore for procuring renewable power on a fixed tariff over twenty five years from the date of commissioning of the Project. As on 31st March 2023, no investment have been made in SRI7PL.

C Government of India as a related party

Government of India (GOI), is also a related party as it holds 49% equity shareholding in the Company. The Company has entered into multiple transactions including but not restricted to purchase/sale of goods and services and availed loans and paid/accrued interest on the same to GOI and entities which are related parties of the GOI.

D No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43 Financial instruments

Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in note no. 3.

I Financial assets and liabilities as at

Particulars	March 31, 2023				
	Fair value through profit or loss	Fair value through other comprehensive income/ Derivatives designated as hedging instruments	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Cash and cash equivalents		-	308.58	308.58	308.58
Other bank balances	-	-	-	-	-
Investments	216.29	-	-	216.29	216.29
Loans	-	-	2.16	2.16	2.16
Trade receivables	52.64	-	387.32	439.96	439.96
Derivatives		16.44	-	16.44	16.44
Other financial assets	-	-	145.80	145.80	145.80
Total	**268.93**	**16.44**	**843.86**	**1,129.23**	**1,129.23**

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

Particulars	March 31, 2023				
	Fair value through profit or loss	Fair value through other comprehensive income/ Derivatives designated as hedging instruments	Amortised Cost	Total Carrying Value	Total Fair Value
Financial liabilities					
Borrowings	-	-	1,129.48	1,129.48	1,129.48
Operational buyers' credit/ suppliers' credit	-	-	902.36	902.36	902.36
Trade payables	-	-	1,543.97	1,543.97	1,543.97
Derivatives	0.92	37.40	-	38.32	38.32
Other financial liabilities	-	-	239.69	239.69	239.69
Total	**0.92**	**37.40**	**3,815.50**	**3,853.82**	**3,853.82**

Particulars	March 31, 2022				
	Fair value through profit or loss	Fair value through other comprehensive income/ Derivatives designated as hedging instruments	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Cash and cash equivalents	-	-	436.74	436.74	436.74
Other bank balances	-	-	0.15	0.15	0.15
Investments	305.18	-	-	305.18	305.18
Loans	-	-	1.52	1.52	1.52
Trade receivables	91.61	-	505.09	596.70	596.70
Derivatives	-	1.52	-	1.52	1.52
Other financial assets	-	-	310.94	310.94	310.94
Total	**396.79**	**1.52**	**1,254.44**	**1,652.75**	**1,652.75**
Financial liabilities					
Borrowings	-	-	1,141.53	1,141.53	1,141.53
Operational buyers' credit/ suppliers' credit	-	-	423.79	423.79	423.79
Trade payables	-	-	1,314.18	1,314.18	1,314.18
Derivatives	1.81	74.01	-	75.82	75.82
Other financial liabilities	-	-	319.08	319.08	319.08
Total	**1.81**	**74.01**	**3,198.58**	**3,274.40**	**3,274.40**

II Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Particulars	As at March 31, 2023		
	Level 1	Level 2	Level 3
Financial assets			
Investments at fair value through profit and loss	141.29	-	75.00
Derivative financial assets at fair value through other comprehensive income	-	16.44	-
Trade receivables at fair value through profit and loss	-	52.64	-
Total	**141.29**	**69.08**	**75.00**
Financial liabilities			
Derivative financial liabilities at fair value through profit and loss	-	0.92	-
Derivative financial liabilities at fair value through other comprehensive income	-	37.40	-
Total	**-**	**38.32**	**-**

Particulars	As at March 31, 2023		
	Level 1	Level 2	Level 3
Financial assets			
Investments at fair value through profit and loss	305.18	-	-
Derivative financial assets at fair value through profit and loss	-	-	-
Derivative financial assets at fair value through other comprehensive income	-	1.52	-
Trade receivables at fair value through profit and loss	-	91.61	-
Total	**305.18**	**93.13**	**-**
Financial liabilities			
Derivative financial liabilities at fair value through profit and loss	-	1.81	-
Derivative financial liabilities at fair value through other comprehensive income	-	74.01	-
Total	**-**	**75.82**	**-**

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2023 and March 31, 2022:

Financial instruments	Level 1	Level 2	Level 3
As at March 31, 2023			
Non-current and current borrowings	-	477.34	-
Current maturities of long term borrowings	-	652.14	-
Total	**-**	**1,129.48**	**-**

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(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

Financial instruments	Level 1	Level 2	Level 3
As at March 31, 2022			
Non-current and current borrowings	-	656.67	-
Current maturities of long term borrowings	-	484.86	-
Total	**-**	**1,141.53**	**-**

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Non-current borrowings including current maturity of long term borrowings: Fair value has been determined by the Company based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.
- Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate to fair value.
- Derivative financial assets/liabilities: The Company enters into derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques for such derivatives include forward pricing using present value calculations, foreign exchange spot and forward premium rates. Commodity contracts are valued using the forward LME rates of commodities actively traded on the listed metal exchange i.e. London Metal Exchange, United Kingdom (U.K.).
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair value of investments are on the basis of net asset value as declared by mutual fund house as on the balance sheet date.

There has been no transfer between level 1 and level 2 during the current year or previous year.

III Risk Management Framework (Also refer note no. 47 below)

The Company's businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The Audit Committee is aided by the CFO Committee and the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions Key business decisions are discussed at the periodic meetings of the CFO Committee and the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

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(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

IV Treasury Management (Also refer note no. 47 below)

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Executive Committee meetings. Day-to-day treasury operations are managed by Company's finance teams within the framework of the overall Company's treasury policies. Long-term fund raising including strategic treasury initiatives are handled by a central team. A monthly reporting system exists to inform senior management of investments, debt, currency, commodity and interest rate derivatives. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are effectively supplemented by regular internal audits.

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates and commodity prices. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward/future contracts and these are subject to the Company's guidelines and policies.

V Commodity Price Risk (Also refer note no. 47 below)

The Company is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Company produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Company aims to sell the products at prevailing market prices. The commodity price risk in import Alumina is hedged on back-to back basis ensuring no price risk for the business. The Company aims to achieve the monthly average of the commodity prices for sales realization. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and as per strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level and with clearly laid down guidelines for their implementation by the Company.

Whilst the Company aims to achieve average LME prices for a month or a year, average realised prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realised on commodity contracts
- purchases and sales of physical contracts
- cash flow hedging of revenues, forecasted highly probable transactions

The requirement of the primary raw material, alumina, is partly met from own sources and the rest is purchased primarily on negotiated price terms. Sales prices are linked to the LME prices. At present the Company on selective basis hedges the aluminium content in outsourced alumina to protect its margins.

The Company also enters into hedging arrangements for its aluminium sales to realise month of sale LME prices. Since all of the provisionally priced financial instruments of the company are hedged, movement in aluminium prices at London metal exchange would have no impact on profit after tax for the year ended March 31, 2023 and March 31, 2022.

VI Financial Risk (Also refer note no. 47 below)

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

(i) Liquidity Risk

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. The Company has been rated by ICRA, (unit of ICRA Group of Companies) for its banking facilities in line with Basel II norms. During the year, ICRA rated the Company's long-term bank facilities a rating of AA Stable Outlook (pronounced ICRA double A).

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

Financial liabilities	<1 year	1-3 years	3-5 years	>5 years	Total
As at March 31, 2023					
Borrowings	652.14	376.88	100.46	-	1,129.48
Trade payables, operational buyer's credit and other financial liabilities	2,675.36	-	-	-	2,675.36
Derivative financial liabilities	38.32	-	-	-	38.32
Contractual interest obligation	10.66	-	-	-	10.66
Total	**3,376.48**	**376.88**	**100.46**	**-**	**3,853.82**
As at March 31, 2022					
Borrowings	547.61	580.62	18.00	-	1,146.23
Trade payables, operational buyer's credit and other financial liabilities	2,048.65	-	-	-	2,048.65
Derivative financial liabilities	75.82	-	-	-	75.82
Contractual interest obligation	3.70	-	-	-	3.70
Total	**2,675.78**	**580.62**	**18.00**	**-**	**3,274.40**

Notes to the financial statements

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(All amounts in ₹ Crore, unless otherwise stated)

43 Financial instruments (Contd..)

The company had access to following funding facilities:

Funding facility	Total Facility	Drawn	Undrawn
As at March 31, 2023			
Fund based limit	3,061.30	1,130.70	1,930.60
Non fund based limit	4,478.00	2,313.88	2,164.12
Total	**7,539.30**	**3,444.58**	**4,094.72**
As at March 31, 2022			
Fund based limit	4,533.91	1,143.91	3,390.00
Non fund based limit	3,578.00	1,243.76	2,334.24
Total	**8,111.91**	**2,387.67**	**5,724.24**

Collateral

The Company has hypothecated all of its trade receivables and cash and cash equivalents in order to fulfill the collateral requirements for the financial facilities in place. The counterparties have an obligation to return the securities to the Company. There are no other significant terms and conditions associated with the use of collateral.

(ii) Foreign exchange Risk

Fluctuations in foreign currency exchange rates may have an impact on the statements of profit and loss, the statement of change in equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency.

Exposures on foreign currency loans are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Company uses forward exchange contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions and loans denominated in foreign currencies. The Company is also exposed to foreign exchange risk on its exports. Most of these transactions are denominated in US dollars. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns and hedged as per Company's hedging policy. However, all new long-term borrowing exposures are being hedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the statements of profit and loss and statements of other comprehensive income. The exposure summarised below is mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on "Derivative financial instruments" The Company's presentation currency is the Indian Rupee (INR). The majority of the assets are located in India and the Indian Rupee is the functional currency for the Indian operating business. Natural hedges available in the business are identified at each entity level and hedges are placed only for the net exposure. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted

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43 Financial instruments (Contd..)

for project expenditures to avoid budget overruns, where cost of the project is calculated taking into account the hedge cost. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

Particulars	Financial assets		Financial liabilities	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
INR	1,029.46	1,366.40	2,566.06	2,774.79
USD	95.88	286.35	1,229.91	498.30
Others	3.89	-	57.86	1.31
Total	**1,129.23**	**1,652.75**	**3,853.83**	**3,274.40**

The Company's exposure to foreign currency arises where a Company entity holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity, with US dollar being the major non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 10% against the functional currency of the respective entities.

A 10% appreciation/depreciation of the respective foreign currencies with respect to the functional currency would result in net decrease/increase in the Company's profit or loss and equity for the year by ₹ 73.97 Crore (March 31, 2022: ₹ 37.21 Crore).

(iii) Interest rate risk

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. The US dollar debt is split between fixed and floating rates (linked to US dollar LIBOR) and the Indian Rupee debt is principally at fixed interest rates. These exposures are reviewed by appropriate levels of management on a monthly basis. The Company invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax-free return, to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are mainly interest bearing trade receivables and mutual fund investments if any which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

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

Particulars	Floating rate	Fixed rate	Non-interest bearing	Total	Weighted average interest rate (fixed rate)	Weighted average period for which the rate is fixed (in year)
Financial assets						
As at March 31, 2023	141.29	223.54	764.40	1,129.23	6%	50%
As at March 31, 2022	305.18	454.20	893.37	1,652.75	2%	20%

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43 Financial instruments (Contd..)

Particulars	Floating rate	Fixed rate	Non-interest bearing	Total	Weighted average interest rate (fixed rate)	Weighted average period for which the rate is fixed (in year)
Financial liabilities						
As at March 31, 2023	1,129.48	902.36	1,821.99	3,853.83	7%	9%
As at March 31, 2022	1,128.77	436.54	1,709.08	3,274.40	1%	7%

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on interest expense on loans and borrowings. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Movement in interest rates	As at March 31, 2023	As at March 31, 2022
0.50%	4.94	4.12
1.00%	9.88	8.24
2.00%	19.76	16.47

(iv) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, short-term investments, financial guarantees and derivative financial instruments.

Credit risk on receivables is limited as almost all credit sales are against letters of credit and guarantees of banks of national standing. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes and bonds. The carrying value of the financial assets other than cash represents the maximum credit exposure.

The Company's maximum exposure to credit risk is ₹ 1129.23 Crore and ₹ 1652.75 Crore as at March 31, 2023 and March 31, 2022 respectively.

Particulars	As at March 31, 2023	As at March 31, 2022
Neither impaired nor past due	270.41	364.17
Past due		
- Less than 1 month	90.13	134.78
- Between 1-3 months	26.66	192.80
- Between 3-12 months	40.19	45.42
- Greater than 12 months	160.54	171.98
Total	**587.93**	**909.15**

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43 Financial instruments (Contd..)

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'Past due' in the above table are those that have not been settled within the terms and conditions that have been agreed with those customers. However, considering the facts of those cases, the Company considers them as fully recoverable within one year except for certain power receivable of ₹ 231.47 (₹ 229.61 as at March 31, 2022) Crore, recovery of which depends on resolution of the coal wholesale price indexation and change in law matter with the customer and final order of CSERC.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The solvency of customers and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables are impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms. There has been no movement in allowances for financial assets.

VII Derivative Financial Instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and these are subject to the Company's guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and noncurrent assets and liabilities. Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.

The Company uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates and commodity prices. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

(i) Cash Flow Hedges

The Company also enters into forward exchange contracts and commodity price contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to the statements of profit or loss. These hedges have been effective for the year ended March 31, 2023 and March 31, 2022.

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43 Financial instruments (Contd..)

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions.

The majority of cash flow hedges taken out by the Company during the year comprise derivative hedging instruments for hedging the commodity price risk of highly probable forecast transactions.

The cash flows related to above are expected to occur during the year ending March 31, 2024 and consequently may impact the statement of profit or loss for that year depending upon the change in the commodity prices and foreign exchange rates movements.

(ii) Fair Value Hedges

The fair value hedges relate to forward covers taken to hedge currency exposure and commodity price risks.

The Company's part of sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Company enters into futures contracts for the respective quotational period to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales.

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in the statement of profit or loss.

(iii) Non Qualifying Hedges

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include aluminium future contracts on the LME and certain other derivative instruments, including contracts on capital committments. Fair value changes on such derivative instruments are recognized in the statements of profit or loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

Derivative Financial Instrument (c)	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge(a)				
- Commodity contracts	7.94	-	-	33.40
- Forward foreign currency contracts	-	-	-	-
Fair Value hedge(b)				
- Commodity contracts	8.49	1.79	1.52	8.13
- Forward foreign currency contracts	-	2.44	-	32.48
Non - qualifying hedges(b)				
- Commodity contracts	-	0.92	-	1.81
- Forward foreign currency contracts	-	33.17	-	-
Total Current	**16.43**	**38.32**	**1.52**	**75.82**

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

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

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43 Financial instruments (Contd..)

Derivative contracts entered into by the Company and outstanding as at Balance Sheet date :

(a) Hedged Foreign currency exposure :

(i) To hedge currency risks and interest related risks, the Company has entered into various derivatives contracts. The category wise break up of amount outstanding as on Balance Sheet date is given below :

Particulars	As at March 31, 2023	As at March 31, 2022
Forex forward cover (buy)	4,754.07	370.90
Forex forward cover (sell)	-	-

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Purchase	Sale	Purchase	Sale
Forwards / Futures				
Aluminium (MT)	-	10,475.00	-	17,225.00

All derivative and financial instruments acquired by the Company are for hedging purposes only.

(b) Unhedged foreign currency exposure is as under:-

Particulars	As at March 31, 2023	As at March 31, 2022
Payables	834.24	658.46
Receivables	94.57	286.35

(c) The Company enters into certain contracts where the prices are provisional.

Outstanding position of such contracts are as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	MT	Amount	MT	Amount
Sale of Aluminium	6,050	129	21,050	578.67

44 Financial assets - Non current : Investments

(at fair value through P&L)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in preference shares - Unquoted at fairvalue through profit and loss		
Serentica Renewables India 1 Private Limited, OCRPS (₹ 10 each)	75.00	-
Total	**75.00**	**-**

1. During FY 2021-22 and 2022-23 , the Company has executed new Power Delivery Agreements (""PDA"") with Serentica group companies (Serentica Renewables India 1 Private Limited, and Serentica Renewables India 7

Notes to the financial statements

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44 Financial assets - Non current : Investments (Contd..)

Private Limited respectively), which are associates of Volcan, for procuring renewable power over twenty five years from date of commissioning of the combined renewable energy power projects ("the Projects") on a group captive basis. These Serentica group companies were incorporated for building the Projects. During the current year, the Company has invested ₹ 75 Crore in Optionally Convertible Redeemable Preference shares ("OCRPS") of ₹ 10 each of Serentica group companies. These OCRPS will be converted into equity basis conversion terms of the PDA, resulting in Company's holding twenty six percent stake in its equity. As at 31 March 2023, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 310 Crore (31 March 2022: ₹ 250 Crore).

45 Critical estimates and judgements in applying accounting policies

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Property, plant and equipment and useful life of property, plant and equipment and intangible assets

The carrying value of property, plant and equipment is arrived at by depreciating the assets over the useful life of assets. The estimate of useful life is reviewed at the end of each financial year and changes are accounted for prospectively.

ii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cashflow (DCF) model. The cash flows are derived from the budget for the remaining useful lives of assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other intangibles with indefinite useful lives recognised by the Company. During the year, Management assessed indicators of impairment in the Aluminium business of the company, considering that as a single cash-generating unit, and identified no triggers to test the assets for impairment.

iii) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer note nos. 20, 26 and 40 (ii)).

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45 Critical estimates and judgements in applying accounting policies (Contd..)

iv) Provisions for site restoration

In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. During the year, the company has restimated the reserves and has reversed a liability of ₹ 54.10 Crores . The carrying amount of the provision as at 31 March 2023 is ₹ 8.69 Crore ('March 31, 2022 : ₹ 62.31 Crore). The Company estimates that the costs would be realised upon the expiration of the lease and calculates the provision using the DCF method based on discount rate of 7.2% If the estimated pre-tax discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been ₹ 1 crore lower (Refer note no. 20 & 34.2).

v) Defined benefit plan

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates (Refer note no. 39).

vi) Recoverability of deferred tax and other income tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets on unabsorbed depreciation/business loss have been recognised based on future profits. Further details on taxes are disclosed in note no. 38.

vii) Recoverability of CSR pre-spent assets

CSR pre-spent assets are recognised to the extent that it is probable that there will be CSR obligations available against which the assets can be utilised. Significant management judgement is required to determine the amount of CSR pre-spent assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

viii) Revenue recognition and receivable recovery in relation to the power segment

In certain cases, the Company's power customers are disputing claims raised by the Company on account of change in law and retrospective change in wholesale price index of cost made by CERC. Significant judgement is required in both assessing the revenue to be recognised in accordance with Ind AS 115 and to assess the recoverability of the amount accounted for as receivables.

In assessing this critical judgment, management considered favourable court orders the Company has received in relation to such claims. In addition, the fact that the contracts are with Government owned companies implies that the credit risk is low (Refer note no. 6).

ix) Climate Change

The Company as part of Group plan aims to achieve net carbon neutrality by 2050, has committed reduction in emission by 25% by 2030 from 2021 baseline, net water positivity by 2030 as part of its climate risk assessment and

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

45 Critical estimates and judgements in applying accounting policies (Contd..)

has outlined its climate risk assessment and opportunities in the ESG strategy. Climate change may have various impacts on the Company in the medium to long term. These impacts include the risks and opportunities related to the demand of products and services, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. The accounting related measurement and disclosure items that are most impacted by our commitments, and climate change risk more generally, relate to those areas of the financial statements that are prepared under the historical cost convention and are subject to estimation uncertainties in the medium to long term. The potential effects of climate change may be on assets and liabilities that are measured based on an estimate of future cash flows. The main ways in which potential climate change impacts have been considered in the preparation of the financial statements, pertain to (a) inclusion of capex in cash flow projections, (b) review of estimates of useful lives of property, plant and equipment, (c) recoverable amounts of existing assets, (d) assets and liabilities carried at fair value.

The Company's strategy consists of mitigation and adaptation measures. The Company is committed to reduce its carbon footprint by limiting its exposure to coal-based projects and reducing its GHG emissions through high impact initiatives such as investment in Renewable Energy, fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. Renewable sources have limitations in supplying round the clock power, so existing power plants would support transition and fleet replacement is part of normal lifecycle renewal. The Company has also taken certain measures towards water management such as commissioning of sewage treatment plants, rainwater harvesting, and reducing fresh water consumption. These initiatives are aligned with the Company's ESG strategy and no material changes were identified to the financial statements as a result.

As the Company's assessment of the potential impacts of climate change and the transition to a low-carbon economy continues to mature, any future changes in Company's climate change strategy, changes in environmental laws and regulations and global decarbonisation measures may impact the Company's significant judgments and key estimates and result in changes to financial statements and carrying values of certain assets and liabilities in future reporting periods. However, as of the balance sheet date, the Company believes that there is no material impact on carrying values of its assets or liabilities.

46 Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity ,internal fund generation and borrowed funds. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises share capital and free reserves (total reserves excluding cash flow hedges, debenture redemption reserve and capital reserve). The following table summarizes the capital of the Company:

Particulars	As at March 31, 2023	As at March 31, 2022
Share capital	220.62	220.62
Free reserves	7,513.98	4,740.14
Equity (A)	**7,734.60**	**4,960.76**
Cash and cash equivalents	308.58	108.97
Short term investments	141.29	1,024.46
Total cash (B)	**449.87**	**1,133.34**

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

46 Capital Management (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Short-term borrowings	300.00	133.34
Long-term borrowings	477.33	2,220.07
Current Maturity of long term borrowings	352.14	813.30
Total debt (C)	**1,129.47**	**3,166.71**
Net debt D=(C-B)	**679.60**	**2,033.28**
Total capital (equity + net debt)	**8,414.20**	**6,994.04**
Net debt to equity ratio (E=D/A)	**0.09**	**0.41**

47 The following matters have been considered by the management in determining the appropriateness of the going concern assumption for preparation of these financial statements:

- The entity expects that the net cash inflows from operating activities, which includes management assumptions regarding timing of settlement of certain current liabilities, in conjunction with the line of credit will be sufficient to cover the net current asset deficiency of near future.
- ICRA rating of A1+ for Company's commercial paper and non-fund based banking facilities gives confidence to raise the short-term funds, whenever required.
- ICRA assigned fund based banking facilities a rating of AA, which can also be helpful to raise short term funds, if necessary.
- Operational buyers'/suppliers' credit outstanding as on March 31, 2023 might be rolled over or replaced with fresh buyers'/suppliers' credit for purchase of imported raw materials in normal course.
- In the previous years also, current liabilities of the Company have been higher than current assets. However, the Company has been able to continue without any reduction in operation.

  The management is confident that the entity will be able to meet its working capital liabilities through the normal cyclical nature of receipts and payments and hence, these financial statements have been prepared adopting the going concern assumption.

48 The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reasons
a) Current ratio	Current Assets	Current Liabilities	0.56	0.73	-23%	Current ratio decreased majorly due to decrease in cash and cash equivalents utilised for investing activities.
b) Debt-Equity ratio	Total Debt incl. lease liabilities	Shareholder's Equity	0.15	0.15	-2%	There has been no major movement in Debt Equity Ratio
c) Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.02	3.84	-68%	Debt service coverage ratio has been decreased due to reduced profits during the year.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

48 The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022 (Contd..)

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reasons
d) Return on equity ratio (%)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	1%	43%	-99%	ROE has decreased due to reduction in profit after taxes in the current year
e) Inventory turnover ratio	Revenue from operations	Average Inventory	9.23	12.86	-28%	Inventory turnover ration has decreased due to increase in inventory at year end
f) Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	25.20	21.32	18%	Trade receivable turnover ratio improved due to increase in revenue and collection from customers
g) Trade payables turnover ratio	Purchases	Average Trade Payables	4.79	2.61	83%	The Trade payables turnover ratio has increased due to increase in purchase of raw materials primarily on account of increase in rates of the commodity
h) Net capital turnover ratio	Revenue from operations	Working capital = Current assets - Current liabilities	*	*	*	-
i) Net profit ratio (%)	Profit after Tax	Revenue from operations	0%	20%	-98%	Net Profit Ratio has decreased due to significant decreased in net profit during the year.
j) Return on capital employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	2%	40%	-95%	Return on capital employed ratio has decreased due to significant decrease in earning before tax during the year.
k) Return on investment (%)	Income from Investments measured at FVPTL	Average investment	5.27%	5.63%	-6%	Return on investment ratio decreased due to investment in non current invesments in non interest bearing preference shares.

*Net working capital is negative.

**All the ratios are in times unless specified.

49 Relationship with struck off companies:

There were no transactions with companies struck off under section 248 of the Companies Act, 2013 during the financial year.

Notes to the financial statements

as at and for the year ended March 31, 2023

(All amounts in ₹ Crore, unless otherwise stated)

50 Other Statutory Information

- The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

51 Subsequent Events

There are no other material adjusting or non-adjusting subsequent events, except as already disclosed.

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors

per Bhaswar Sarkar
Partner
Membership No. 55596

S K Roongta
Director
DIN: 00309302
Place: New Delhi

Rajesh Kumar
CEO & Whole-time Director
DIN: 09586370
Place: New Delhi

Amit Gupta
Chief Financial Officer

Prateek Jain
Company Secretary

Place: Kolkata
Date: April 20, 2023

Place: New Delhi
Date: April 20, 2023

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Bharat Aluminium Company Limited
Aluminium Sadan, Core-6, Scope Office Complex,
7 Lodhi Road, New Delhi - 110 003