

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 financial statements of Bharat Aluminium Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2025, 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 material 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, 2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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.



Responsibilities of the Management 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) Order, 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 to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g).
 - (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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;



- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g).
- (g) 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;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (i) 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 28 and 41 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, as disclosed in the note 50 to the financial statements, 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 entities, 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, as disclosed in the note 50 to the financial statements, no funds have been received by the Company from any person(s) or entities, 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. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature for direct changes to data in certain database tables was enabled for part of the year from March 03, 2025, as described in note 51 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software. Additionally, the audit trail of relevant prior year has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in the respective year, as stated in note 51 to the financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Pramod Kumar Bapna
Partner

Membership Number: 105497
UDIN: 25105497BMKUXP3453
Place of Signature: New Delhi
Date: April 22, 2025



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

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (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 in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the financial statements are held in the name of the Company except for 1 immovable property as indicated in the below mentioned case as at March 31, 2025 for which title deeds were not available with the Company and hence we are unable to comment on the same.



| Description of Property | Gross carrying value- as at March 31, 2025 Rs. In Crores | 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 |
|-------------------------|---|---|--|---|---|
| Freehold Land | 0.02 | National Thermal Power Corporation Ltd (NTPC) | No | Since 20 th 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. We have been informed by management that this is due to non-availability of title deeds with 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) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.

(e) 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) Physical verification of inventory has been conducted at reasonable intervals during the year by the management except for inventories lying with third parties. In our opinion, the coverage and procedure for such verification by the management is appropriate. Inventories lying with third parties have been confirmed by such third parties as at March 31, 2025. There were no discrepancies of 10% or more noticed, in aggregate for each class of inventory.



- (b) As disclosed in note 24 to the financial statements, the Company had been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company.

The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

- (iii) (a) The Company has made investments in companies and granted loans to employees aggregating Rs.195 Crores and Rs. 0.93 Crores respectively and aggregate balances outstanding as at March 31, 2025 were Rs. 343.32 Crores and Rs. 0.08 Crores respectively. The Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other party during the year.
- (b) During the year, the investments made by the Company and terms and conditions of the grant of loans given to employees are not prejudicial to the Company's interest. Also, during the year, the Company has not provided any guarantees or security to companies, firms, limited liability partnerships or any other party.
- (c) The Company has granted loans during the year to employees where the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (d) There are no amounts of loans granted to employees which are overdue for more than ninety days.
- (e) There were no loans granted to employees which had 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) The Company has not granted any loans, either repayable on demand or without specifying any terms or period of repayment to employees. 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) The Company has complied with the provisions of Sec 185 and 186 in respect of investments to which these provisions are applicable. There are no loans, guarantees and security in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.



- (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 to the Company.
- (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 electricity and are of the opinion that, prima facie, specified accounts and records have been made and maintained. We have, however, not made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it.

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

- (b) The dues of the 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) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.



- (d) On an overall examination of the financial statements of the Company, no funds raised on short term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) 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 to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (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 by the management, we report that no fraud by the Company or no material fraud on the Company by 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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) 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.
- (xiii) 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, as required by applicable accounting standards.



- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of this audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) to (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors of the Company during the year, and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 48 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 Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, 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 existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. 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 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 respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance 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 to the Company.



- (b) 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 to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/ E300005



per Pramod Kumar Bapna
Partner

Membership Number: 105497

UDIN: 25105497BMKUXP3453

Place of Signature: New Delhi

Date: April 22, 2025



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) |
|---|---|---------------------|------------------------------------|--|---------------------------------------|
| Chhattisgarh Upkar (Sanshodhan) Adhiniyam, 2004 (Chhattisgarh Amendment Act, 2004) | Demand for Energy Development Cess | 1,300.77 | FY 2004-05 till date | Supreme Court of India | 34.54 |
| The Electricity Act, 2003 | Demand for Cross Subsidy along with interest by Chhattisgarh State Electricity Regulatory Commission under CSERC (Connectivity & Intra State Open Access) Regulations, 2011 | 268.30 | October 2015 to March 2025 | Appellate Tribunal for Electricity Act, New Delhi | - |
| Chhattisgarh Electricity Duty Act, 1949 and Chhattisgarh Electricity Duty Rules, 1949 | Demand for Electricity Duty & Interest as part of Contract Demand matter | 49.61 | FY 1987-88 to FY 2022-23 | High Court of Chhattisgarh, Bilaspur | - |
| Chhattisgarh Electricity Duty Act, 1949 and Chhattisgarh Electricity Duty Rules, 1949 | Demand for Electricity Surcharge | 2.00 | Till FY 2015-16 | Chief Electrical Inspector (CEI), Department of Energy, Chhattisgarh | - |
| The Mines and Minerals (Development and Regulation) Act, 1957 | Demand on account of Royalty on excess extraction of bauxite from bauxite mines | 45.00 | FY 2007-08 and 2008-09 | The Mines Collector, Mining Division, Chhattisgarh | - |
| The Forest Conservation Act, 1995 | Demand for penalty for using the forest land for non-forest purposes | 156.00 | Till FY 2006-07 | Supreme Court of India | - |
| Chhattisgarh Municipal Limits Rules, 1996 | Demand for State Terminal Tax | 16.00 | From FY 2001-02 to FY 2006-07 | Supreme court of india | - |



| 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 Chhattisgarh Transit (Forest Produce) Rules, 2001 | Demand on account of Transit fees payable for Bauxite mine considering it to be forest produce. | 1.02 | From FY 2007-08 to FY 2011-12 | High Court of Chhattisgarh, Bilaspur | - |
| Chhattisgarh Entry Tax Act, 1976 | Demand on account of Non-Payment of Entry Tax on material purchased for setting up of new plant. | 114.42 | From FY 2010-11 to FY 2013-14 | High Court of Chhattisgarh, Bilaspur | - |
| Chhattisgarh Entry Tax Act, 1976 | Demand on account of Non-Payment of Entry Tax on import of goods. | 5.00 | FY 2016-17 | High Court of Chhattisgarh, Bilaspur | 1.25 |
| Central Excise Act, 1944 | Demand for excess CENVAT Credit claimed under Rule 6 of the CENVAT Credit Rules. | 40.38 | From FY 2010-11 to FY 2016-17 | Commissioner, Central GST & Central Excise Commissionerate | - |
| Chhattisgarh VAT Act, 2003 | Demand for excess input credit used for sale of power vis-à-vis on goods sent to branches outside state. | 0.24 | Till FY 2014-15 | Tribunal, Commercial Tax Department | - |
| West Bengal VAT Act, 2005 | Demand for VAT on short disclosure of stock transfer in sales tax return. | 0.04 | FY 2006-07 | Tribunal, Commercial Tax Department | - |
| West Bengal VAT Act, 2005 | Demand on account of non submission of C forms for sale of goods. | 0.01 | FY 2011-12 | Tribunal, Commercial Tax Department | - |
| Chhattisgarh VAT Act, 2003 | Demand on account of excess input credit on various matters. | 3.88 | FY 2011-12 | Tribunal, Commercial Tax Department | - |
| The Finance Act, 1994 | Demand on account of Service Tax on right to use of natural resources (Water). | 14.59 | April 2016 to June 2017 | Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi | 0.55 |
| The Finance Act, 1994 | Demand for levy of Service Tax on Liquidated Damages collected from transporters. | 2.07 | April 2013 to June 2017 | Office of the Commissioner (Appeals), Customs, Central Excise and Service Tax | 0.10 |



| 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) |
|-----------------------------|--|---------------------|---|--|---------------------------------------|
| Goods and Service Tax, 2017 | Demand for difference in GST input credit of GSTR1 and GSTR 3B. | 0.47 | For the Month of September 2018 | Commissioner, Central GST & Central Excise Commissionerate, Raipur | 0.08 |
| Goods and Service Tax, 2017 | Demand on account of violation of Pre-Import Condition for Export Licenses | 397.07 | October, 2017 to January 2019 | Office of Commissioner Of Customs, Mumbai Zone | 3.49 |
| Goods and Service Tax, 2017 | Demand for difference in GST input credit of GSTR2A and GSTR 3B. | 115.96 | FY 2018-19 and FY 2019-20 | High Court of Chhattisgarh, Bilaspur | 10.07 |
| Goods and Service Tax, 2017 | Demand for disallowance of refund of GST Compensation Cess | 0.94 | August-2019 | High Court of Chhattisgarh, Bilaspur | 0.14 |
| Goods and Service Tax, 2017 | Demand on account of difference in output tax liability between GSTR-1 and GSTR 3B | 0.02 | July 2017 to March 2018 | Joint Commissioner CGST Faridabad | - |
| Goods and Service Tax, 2017 | Demand on account of Transitional Input credit availed on the basis of manual filed excise returns. | 0.31 | July 2017 to March 2018 | Commissioner, Central GST & Central Excise Commissionerate, Raipur | 2.28 |
| Income Tax Act, 1961 | Demand for short payment of interest | 0.10 | AY 2002-03 | High Court of Chhattisgarh, Bilaspur | - |
| Income Tax Act, 1961 | Demand for short payment of interest | 0.10 | AY 2011-12 | Income Tax Appellate Tribunal (ITAT), New Delhi | - |
| Income Tax Act, 1961 | Demand on account of Non-deduction of Withholding tax on foreign remittances | 0.78 | AY 2014-15 | Commissioner of Income-tax (Appeals) | - |
| Income Tax Act, 1961 | Demand on account of Short deduction of TDS and other matters | 0.34 | AY 2008-09 to AY 2018-19 and AY 2021-22 | Dy. Commissioner of Income-tax (TDS), Raipur | - |
| Income Tax Act, 1961 | a) Demand on account penalty of Rs 574.33 Cr U/S 271(1)(C) against original demand confirmed u/s 263 | 580.31 | AY 2015-16 | 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) |
|-----------------------------|--|---------------------|------------------------------------|---|---------------------------------------|
| | for AY 15-16. b) Demand amounting to Rs 5.97 Crs of Income Tax on account of Transfer Pricing adjustment u/s 92CA related to Section 80IA on transfer of power for smelter consumption. | | | | |
| Income Tax Act, 1961 | Demand on account of Non-deduction of Withholding tax on foreign remittances | 2.23 | AY 2020-21 | Commissioner of Income-tax (Appeals) | - |
| Central Excise Act, 1944 | Disallowance of CENVAT input credit availed on insurance services | 0.95 | FY 2011-12 to June 2017 | Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi | 0.04 |
| Central Excise Act, 1944 | Disallowance of CENVAT credit availed on Inter-unit transactions of the Company | 36.25 | FY 2011-12 to June 2017 | Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi | 1.36 |
| Goods and Service Tax, 2017 | Demand on account of excess GST ITC availed in GSTR-2A and short reversal of input credit for exempt income as per Rule 42 of ITC reversal | 175.67 | July 2017 to March 2018 | High Court of Chhattisgarh, Bilaspur | - |
| The Finance Act, 1994 | Service Tax Demand on account of deemed mining services given to CMDC. | 20.29 | FY 2007-08 to FY 2011-12 | Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi | 0.76 |
| Income Tax Act, 1961 | Demand of Income Tax on account of Transfer Pricing adjustment u/s 92CA related to Section 80IA on transfer of power for smelter consumption. | 325.45 | AY 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) |
|-----------------------------|--|---------------------|---|--|---------------------------------------|
| Goods and Service Tax, 2017 | GST demand on account of excess input credit in GSTR-2A and short reversal of input credit for exempt income as per Rule 42 of ITC reversal and other various matters. | 310.18 | FY 2018-19 | High Court of Chhattisgarh, Bilaspur | 15.45 |
| Goods and Service Tax, 2017 | Demand on account of short reversal of input credit for exempt income as per Rule 42 of ITC reversal and other various matters. | 4.02 | FY 2020-21 | Joint Commissioner, GST Department, Bilaspur, Chhattisgarh | - |
| Goods and Service Tax, 2017 | GST demand on account of excess input credit in GSTR-2A and short reversal of input credit for exempt income as per Rule 42 of ITC reversal and other various matters. | 223.62 | FY 2019-20 | High Court of Chhattisgarh, Bilaspur | 4.43 |
| Goods and Service Tax, 2017 | GST Demand through DRC-01 on account of excess input credit in GSTR-2A and Non-payment of interest for DRC-03 payments. | 0.42 | FY 2017-18 to FY 2020-21 | Office of Commissioner of Central GST, Delhi | - |
| Goods and Service Tax, 2017 | Demand on excess refund claimed related to GST Compensation Cess on account supply of electricity to Township and common power from 540 MW PP | 0.77 | December 2021 to March 2022, June 2020, October 2022, February 2023 to March 2023, June 2023 to December 2023 | GST Appellate Tribunal, Chhattisgarh | 0.14 |
| Goods and Service Tax, 2017 | GST demand on account of short payment of RCM on Carriage outwards, director sitting fees and on Corporate Guarantee. | 0.04 | FY 2020-21 | Deputy Commissioner, GST Department, Kolkata | - |



| 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) |
|--------------------------|---|---------------------|---|---|---------------------------------------|
| Central Excise Act, 1944 | Disallowance of Cenvat Credit taken on the basis of supplementary invoices raised by M/s SECL, barred in view of Rule 9(1)(b) of CCR,2004. | 6.51 | March 2011 to February 2013 | High Court of Chhattisgarh, Bilaspur | - |
| Central Excise Act, 1944 | Disallowance of CENVAT credit of service tax paid on mining services availed for bauxite mines | 35.19 | FY 2006-07 till February 2011 FY 2011-12 till January 2023 January 2015 to October 2016 | Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi | - |
| Income Tax Act, 1961 | Income Tax demand on account of Disallowance of other income as 80IA claim Assessment order u/s 254 with respect to 143(3) of the Act was passed dated 21.03.2025 and mismatch in Tax credit with respect to TDS, TCS and Advance tax | 1.88 | AY 2010-11 | Income Tax Appellate Tribunal (ITAT), New Delhi | - |



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BHARAT ALUMINIUM COMPANY LIMITED

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

We have audited the internal financial controls with reference to financial statements of Bharat Aluminium Company Limited ("the Company") as of March 31, 2025 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2025, 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 Pramod Kumar Bapna
Partner

Membership Number: 105497

UDIN: 25105497BMKUXP3453

Place of Signature: New Delhi

Date: April 22, 2025



Bharat Aluminium Company Limited
Balance Sheet as at March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|----------|----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipments | 4 | 9,920.35 | 9,423.85 |
| (b) Capital work-in-progress | 4 | 7,358.85 | 4,136.81 |
| (c) Other Intangible assets | 4 | 13.96 | 0.51 |
| (d) Exploration intangible assets under development | 5 | 86.43 | 16.69 |
| (e) Financial assets | | | |
| Investments | 6 | 343.32 | 148.32 |
| Trade receivables | 7 | 125.55 | 116.22 |
| Loans | 8 | 0.08 | 0.08 |
| Other Financial Assets | 9 | 59.26 | 94.48 |
| (f) Income tax assets (net) | 39 | - | 61.29 |
| (g) Other assets | 10 | 319.81 | 635.87 |
| Total non-current assets | | 18,227.61 | 14,634.12 |
| Current assets | | | |
| (a) Inventories | 11 | 1,439.21 | 1,281.61 |
| (b) Financial assets | | | |
| Investments | 12 | 1,040.34 | - |
| Trade receivables | 13 | 123.40 | 324.87 |
| Cash and cash equivalents | 14 | 194.48 | 281.75 |
| Loans | 15 | 0.60 | 0.64 |
| Derivatives | 44 | 92.20 | 8.18 |
| Others | 16 | 78.27 | 57.93 |
| (c) Other assets | 17 | 205.81 | 264.98 |
| Total current assets | | 3,174.31 | 2,219.96 |
| TOTAL ASSETS | | 21,401.92 | 16,854.08 |
| Continued.. | | | |



Bharat Aluminium Company Limited
Balance Sheet as at March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|--|----------|----------------------|----------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 18 | 220.62 | 220.62 |
| (b) Other equity | | 11,935.49 | 8,899.54 |
| Total Equity | | 12,156.11 | 9,120.16 |
| Liabilities | | | |
| Non-current Liabilities | | | |
| (a) Financial liabilities | | | |
| Borrowings | 19 | 2,547.47 | 1,784.79 |
| Lease liabilities | 20 | 9.98 | - |
| Others | 21 | 286.93 | 162.29 |
| (b) Provisions | 22 | 112.10 | 141.46 |
| (c) Deferred tax liabilities (net) | 39 | 1,094.30 | 876.41 |
| (d) Other liabilities | 23 | 907.30 | 795.95 |
| Total non-current liabilities | | 4,958.08 | 3,760.90 |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| Borrowings | 24 | 903.46 | 265.46 |
| Lease Liabilities | 20 | 3.70 | - |
| Operational buyers' credit/suppliers' credit | 25 | 684.35 | 1,038.42 |
| Trade payables | | | |
| i) Total outstanding dues of micro and small enterprises | 26 | 45.76 | 36.96 |
| ii) Total outstanding dues of creditors other than micro and small enterprises | 26 | 641.07 | 831.73 |
| Derivatives | 44 | 15.13 | 58.98 |
| Others | 27 | 659.59 | 527.42 |
| (b) Provisions | 28 | 186.44 | 146.95 |
| (c) Income tax liabilities (net) | 39 | 92.77 | 47.32 |
| (d) Other liabilities | 29 | 1,055.46 | 1,019.78 |
| Total current liabilities | | 4,287.73 | 3,973.02 |
| TOTAL EQUITY AND LIABILITIES | | 21,401.92 | 16,854.08 |

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 Pramod Kumar Bapna

Partner

Membership No. 105497

Place: New Delhi

Date: April 22, 2025



For and on behalf of the Board of Directors

[Signature]
S.K. Roongta

Director

DIN: 00309302

Place: New Delhi

[Signature]
Amit Gupta
Chief Financial Officer

[Signature]
Rajesh Kumar

CEO & Whole-time Director

DIN: 09586370

Place: New Delhi

[Signature]
Wageesha Agarwal
Company Secretary

ICSI Membership No. A67456

Place: New Delhi

Date: April 22, 2025



Bharat Aluminium Company Limited
Statement of Profit and Loss for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars | Note No. | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|----------|-----------------------------------|-----------------------------------|
| Income: | | | |
| Revenue from operations | 30 | 15,807.97 | 13,140.73 |
| Other operating income | 31 | 100.95 | 141.56 |
| Other income | 32 | 559.24 | 274.60 |
| Total income | | 16,468.16 | 13,556.89 |
| Expenses: | | | |
| Cost of materials consumed | | 6,681.35 | 5,606.65 |
| (Increase) in inventories of finished goods and work-in-progress | 33 | (143.60) | (147.29) |
| Power and fuel charges | | 3,344.45 | 3,508.25 |
| Employee benefits expense | 34 | 451.48 | 389.27 |
| Finance costs | 35 | 203.44 | 190.46 |
| Depreciation and amortisation expense | 36 | 625.09 | 577.17 |
| Other expenses | 37 | 1,374.67 | 1,570.32 |
| Total expenses | | 12,536.88 | 11,694.83 |
| Profit before tax | | 3,931.28 | 1,862.06 |
| Tax expense: | 39 | | |
| -Current tax (Including tax related to earlier years) | | 769.19 | 331.05 |
| -Deferred tax | | 193.16 | 146.08 |
| Total tax expense | | 962.35 | 477.13 |
| Net profit after tax | | 2,968.93 | 1,384.93 |
| Other comprehensive income | | | |
| Item that will not be subsequently reclassified to profit or loss | | | |
| (a) Re-measurement (loss)/gain on defined benefit obligations | 40 | (6.55) | 8.37 |
| (b) Tax (charge)/credit | 39 | 0.02 | (2.11) |
| Item that will be subsequently reclassified to profit or loss: | | | |
| (a) Net gain/(loss) on cash flow hedges | | 98.32 | (24.25) |
| (b) Tax (charge)/credit | 39 | (24.74) | 6.10 |
| Total other comprehensive (loss)/income for the year | | 67.05 | (11.89) |
| Total comprehensive income for the year | | 3,035.98 | 1,373.04 |
| Earnings per share (of ₹ 10/- each) | 38 | | |
| Basic and Diluted (in ₹ per share) | | 134.57 | 62.77 |

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. 3010C3E/E300005

per Prantod Kumar Bapna

Partner

Membership No. 105497



For and on behalf of the Board of Directors

S K Roongta

S K Roongta

Director

DIN: 00309302

Place: New Delhi

Rajesh Kumar

Rajesh Kumar

CEO & Whole-time Director

DIN: 09586370

Place: New Delhi

Amit Gupta

Amit Gupta

Chief Financial Officer

Wageesha

Wageesha Agarwal

Company Secretary

ICSI Membership No. A67456

Place: New Delhi

Date: April 22, 2025

Place: New Delhi

Date: April 22, 2025



Bharat Aluminium Company Limited
Statement of Cash Flows for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| | Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-----------|---|--------------------------------------|--------------------------------------|
| A. | Cash flow from operating activities | | |
| | Profit before tax | 3,931.28 | 1,862.06 |
| | Adjusted for : | | |
| | - Depreciation and amortisation expense | 625.09 | 577.17 |
| | - Interest income | (147.48) | (102.06) |
| | - Finance cost | 203.31 | 187.65 |
| | - Unwinding of discount on site restoration liability | 0.14 | 2.81 |
| | - (Profit) on sale of current investments | (53.37) | (10.18) |
| | - (Profit) on sale/discard of property, plant and equipment (net) | (14.92) | (44.88) |
| | - Net foreign exchange differences(unrealised) | 1.54 | 177.58 |
| | - Unclaimed liabilities written back (net) | (268.80) | (60.69) |
| | - Deferred government grant | (26.73) | (25.50) |
| | - Provisions for doubtful debts /allowances of impairment on financial and non-financial assets | 3.79 | 60.45 |
| | | 322.57 | 762.35 |
| | Operating profit before changes in assets and liabilities | 4,253.85 | 2,624.41 |
| | Adjusted for : | | |
| | - (Increase)/ Decrease in trade receivables | 188.36 | (61.57) |
| | - (Increase)/ Decrease in inventories | (240.92) | 111.54 |
| | - (Increase)/ Decrease in financial and other assets | (18.71) | 215.42 |
| | - (Decrease) in trade payables | (181.86) | (675.28) |
| | - Increase/ (Decrease) in other liabilities and provisions | 5.10 | (299.42) |
| | | (248.04) | (709.31) |
| | Cash generated from operations | 4,005.81 | 1,915.10 |
| | Income taxes paid (net) | (670.88) | (311.71) |
| | Net cash flows from operating activities | 3,334.93 | 1,603.39 |
| B. | Cash flow from investing activities | | |
| | Purchases of property, plant and equipment (including intangibles) | (3,416.82) | (2,499.56) |
| | Proceeds from sale of property, plant and equipment | 44.37 | 61.45 |
| | Purchases of short-term investments | (12,031.00) | (5,504.00) |
| | Proceeds from sale of short-term investments | 11,044.03 | 5,655.47 |
| | Interest received | 148.89 | 101.09 |
| | Bank deposits made during the year | (22.32) | (6.74) |
| | Bank deposits matured during the year | 22.21 | 3.45 |
| | Purchase of long term investments | (195.00) | (73.32) |
| | Net cash used in investing activities | (4,405.64) | (2,262.16) |
| C. | Cash flow from financing activities | | |
| | Proceeds from current borrowings | 27.68 | 150.10 |
| | (Repayment) of current borrowings | (0.46) | (450.10) |
| | Proceeds from long-term borrowings | 1,737.16 | 1,595.55 |
| | (Repayment) of long-term borrowings | (362.59) | (372.18) |
| | Interest paid | (410.46) | (291.43) |
| | Repayment of lease liabilities | (7.89) | - |
| | Net cash flow in financing activities | 983.44 | 631.94 |
| | Net (decrease) in cash and cash equivalents | (87.27) | (26.83) |
| | Cash and cash equivalents as at the beginning of the year (refer note 14) | 281.75 | 308.58 |
| | Cash and cash equivalents as at the end of the year (refer note 14) | 194.48 | 281.75 |



Note:

1. The figures in parenthesis 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
3. For movement in borrowings, refer note 19 and note 24
4. The Company entered into non cash investment activity of acquisition of ROU Asset of ₹ 19.54 Cr (31st March 2024: Nil crores). This is not reflected in the statement of cash flow

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

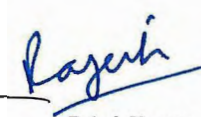
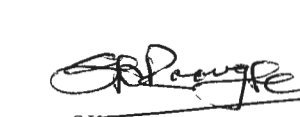


per Pramod Kumar Bapna
Partner
Membership No. 105497



Place: New Delhi
Date: April 22, 2025

For and on behalf of the Board of Directors



S.K. Roongta

Director

DIN: 00309302

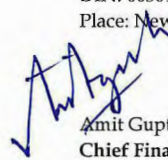
Place: New Delhi

Rajesh Kumar

CEO & Whole-time Director

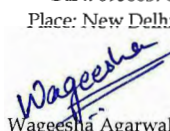
DIN: 09586370

Place: New Delhi



Amit Gupta

Chief Financial Officer



Wageesha Agarwal

Company Secretary

ICSI Membership No. A67456

Place: New Delhi

Date: April 22, 2025



Bharat Aluminium Company Limited
Statement of Changes in Equity for the year ended March 31, 2025

A Equity share capital

| Particulars | Numbers of shares | Amount in ₹ Crores |
|--|-------------------|--------------------|
| Equity shares of ₹ 10 each issued, subscribed and fully paid: As at March 31, 2025 and March 31, 2024 | 22,06,24,500 | 220.62 |

B Other equity

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars | Reserve and Surplus | | | | OCI | | 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, 2023 | 9.20 | 7,083.67 | 430.31 | 7,523.18 | 3.32 | 3.32 | 7,526.50 |
| Profit for the year | - | 1,384.93 | - | 1,384.93 | - | - | 1,384.93 |
| Other comprehensive income/ (loss) for the year ^{2,5} | - | 6.26 | - | 6.26 | (18.15) | (18.15) | (11.89) |
| Total comprehensive income/ (loss) for the year | - | 1,391.19 | - | 1,391.19 | (18.15) | (18.15) | 1,373.04 |
| Balance as at April 1, 2024 | 9.20 | 8,474.86 | 430.31 | 8,914.37 | (14.83) | (14.83) | 8,899.54 |
| Profit for the year | - | 2,968.93 | - | 2,968.93 | - | - | 2,968.93 |
| Other comprehensive income/ (loss) for the year ^{2,5} | - | (6.54) | - | (6.54) | 73.58 | 73.58 | 67.04 |
| Total comprehensive income/ (loss) for the year | - | 2,962.39 | - | 2,962.39 | 73.58 | 73.58 | 3,035.97 |
| Balance as at March 31, 2025 | 9.20 | 11,437.25 | 430.31 | 11,876.76 | 58.75 | 58.75 | 11,935.49 |

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.

5 Effective portion of cash flow hedge

The Company uses hedging instruments as part of its management of commodity price risk. For hedging commodity price risk, the Company uses commodity hedging 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 Pramod Kumar Bapna
Partner
Membership No. 105497

Place: New Delhi
Date: April 22, 2025



For and on behalf of the Board of Directors

S.K. Roongta
Director
DIN: 00309302
Place: New Delhi

Amrit Gupta
Chief Financial Officer

Rajesh Kumar
CEO & Whole-time Director
DIN: 09586370
Place: New Delhi

Wageesha Agarwal
Company Secretary
ICSI Membership No. A67456

Place: New Delhi
Date: April 22, 2025



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, 600 MW and independent power plant of 600 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. The Corporate Identification Number is U74899DL1965PLC004518.

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 22, 2025. 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 (INR) has been rounded off to the nearest Crores with two decimals except when indicated otherwise. Amounts less than ₹ 0.50 Crores have been presented as "0".

(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. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3(a) Material 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/ rendering of service 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. The Company has generally concluded that it is the principal in its revenue arrangements.

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.

No element of financing is deemed present as the sales are generally made with a credit term of 0-120 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from freight and insurance services is recognised over the period during which services are rendered.

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 Company's future performance.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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. 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.



- **Interest income**
Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- **Dividends**
Dividend income 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 from current investments are 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. Revenue relating to insurance claims and interest on delayed or overdue payments from trade receivable is recognized when no significant uncertainty as to measurability or collection exists.

(B) Property, Plant and Equipment

i) Mining properties

The costs of mining properties, which include the costs of acquiring and developing mining properties are capitalized as mining properties separate from Property, plant and equipment in the year in which they are incurred. 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 decides to proceed with the mine development), all further pre-production primary development expenditure other than on land, buildings, plant and equipment is capitalized as developing asset until the mining property are capable of commercial production. Revenue derived during the project phase is adjusted from the cost incurred on the project from which such revenue is generated.

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.

Subsequently, property plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

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.

Assets held for sale are carried at lower of their carrying value or fair value less cost to sell.

Government grant related to fixed asset is capitalized along with the asset that it relates to and depreciated over the life of the primary asset.

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 capitalised, if the recognition criteria are met.

iii) Assets under construction

Assets under construction are capitalised 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.

Capital work in progress is carried at cost less accumulated impairment losses, if any.

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 group 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 5-7 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. The Company considers climate-related matters, including physical and transition risks in its assessment of expected useful lives and estimated residual values. 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 0-5 years.

Amounts paid for securing mining rights are amortised over the period of the mining lease ranging from 16-25 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) **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.

Impairment tests are carried out annually for all assets when there is an indication of impairment. 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 recognized impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognized 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 has previously been recognised.

(E) **Exploration and evaluation intangible assets:**

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred. Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment, if any. Exploration and evaluation intangible assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration intangible assets under development are assessed for impairment and impairment loss, if any, is recognised prior to reclassification.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

- Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.
- General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defence clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.
- Costs of exploration drilling and equipping exploration and appraisal wells.

Exploration expenditure incurred in the process of determining mine exploration targets has been capitalised within "Exploration and evaluation assets".



(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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 investments instrument 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**

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits
- Financial assets that are debt instruments and are measured as at FVOCI
- 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.

(vi) **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.

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution with respect to interim dividend is authorised when it is approved by the board of directors of the Company and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(vii) **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.



(G) 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
- Hedges of a net investment in a foreign operation.

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.

(H) 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 presented 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.

(I) 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.

(J) 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.

(K) 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.

Subject to the exceptions below, 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 income tax is not recognised on initial recognition of an asset or liability in a transaction that:
 - (i) is not a business combination;
 - (ii) at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss); and
 - (iii) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences; and"
- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

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 the statement of profit and loss is recognised outside the 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.

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

(L) 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 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 partially funded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

The liability recognized in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

Provident Fund

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Balco Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Post-retirement medical benefits (PRMB)

The Company has framed a scheme with a view to provide medical benefits to the regular employees of the Company and their spouses subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis. Based on actuarial valuations conducted as at year end, a provision is recognized in full for the benefit obligation.

(M) Share-based payments

Vedanta Limited offers 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.

(N) 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.



(O) 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 annually and adjusted for changes including mine utilisation plan.

(P) 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 (₹).

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.

(Q) 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.

(R) 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.

(S) 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
- 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.



(T) 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. 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).

(U) 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.

(V) 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 and liabilities that cannot be allocated between the segments are shown as unallocated assets and unallocated liabilities respectively.

Pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

3(b) Application of new and amended standards

(A) The Company has adopted, with effect from April 01, 2024, 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 in IND AS 116: Leases

The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. It does not have any material impact on the company.

2. New IND AS 117: Insurance Contracts:

This standard provides consistent principles for all aspects of accounting for insurance contracts. It does not have any material impact on the company.

(B) Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the financial statements.

(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. 45.

Significant Judgements

(i) Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements.

While considering the possible, probable and remote analysis of taxation, legal and other claims, there is always a certain degree of judgement involved pertaining to the application of the legislation which in certain cases is supported by views of tax experts and/or earlier precedents in similar matters. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.



(ii) Climate Change

The Company aims to achieve net carbon neutrality by 2050 or sooner & committed to reduce its GHG intensity by 20% by 2026 & Absolute emission by 25% by 2030 from 2021 baseline, achieve net water positivity by 2030 as part of their climate mitigation and adaptation efforts and sustainability strategy. The Company conducted climate risk assessment and outlined its risks and opportunities in TCFD report. 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, 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) recoverable amounts of existing assets (c) review of estimates of useful lives of property, plant and equipment, (d) assets and liabilities carried at fair value, etc.

The Company's strategy consists of mitigation and adaptation measures and 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 (505 MW Power delivery agreement ('PDA') with Serentica Renewables signed on a Company captive basis), fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. However, 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. We have also taken certain measures towards water management such as commissioning of Zero Liquid Discharge plants, sewage treatment plant, dry tailing plant, rainwater harvesting, thus reducing freshwater 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 the 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.



Bharat Aluminium Company Limited
Notes to the financial statements as at March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

4. Property, Plant and Equipments^{3,4,5,6,8}

| Particulars | Gross block | | | Accumulated depreciation | | | Net Block |
|--|---------------------|-----------|------------|--------------------------|---------------------|------------|----------------------|
| | As at April 1, 2024 | Additions | Deductions | As at April 1, 2024 | Charge for the year | Deductions | As at March 31, 2025 |
| Tangible assets | | | | | | | |
| Land-freehold ^{1,2,7} | 17.32 | - | - | (0.12) | - | - | 17.44 |
| Buildings ² | 18.64 | - | 1.32 | (0.12) | - | - | 17.44 |
| (Previous year) | 2,130.96 | 122.53 | 6.56 | 1,101.97 | 54.00 | 4.16 | 1,151.81 |
| (Previous year) | 2,124.03 | 16.65 | 9.72 | 1,045.45 | 61.55 | 5.03 | 1,095.12 |
| Plant and equipment | 15,041.60 | 1,019.89 | 240.23 | 6,811.68 | 542.25 | 203.56 | 1,028.99 |
| (Previous year) | 14,900.90 | 571.39 | 370.69 | 6,648.77 | 493.44 | 330.53 | 8,670.88 |
| Furniture and fixtures | 17.93 | 0.79 | 0.64 | 10.04 | 1.25 | 0.64 | 8,229.92 |
| (Previous year) | 17.73 | 4.97 | 4.77 | 13.67 | 0.77 | 4.40 | 7.43 |
| Vehicles | 26.32 | 4.02 | - | 16.91 | 0.97 | - | 7.89 |
| (Previous year) | 26.01 | 1.23 | 0.92 | 17.12 | 0.48 | 0.69 | 12.47 |
| Office equipment | 40.41 | 6.87 | 1.93 | 32.40 | 3.13 | 1.76 | 9.41 |
| (Previous year) | 44.34 | 4.13 | 8.06 | 36.21 | 3.98 | 7.79 | 11.58 |
| Railway Sidings | 230.05 | - | 0.11 | 122.32 | 11.03 | 0.11 | 8.01 |
| (Previous year) | 230.05 | - | - | 111.28 | 11.04 | - | 133.24 |
| Mining properties | 145.36 | - | - | 139.66 | 5.70 | - | 107.73 |
| (Previous year) | 145.36 | - | - | 135.31 | 4.35 | - | 145.36 |
| Right of Use assets ⁸ | 35.30 | - | - | 26.54 | 0.04 | - | 139.66 |
| (Previous year) | 35.30 | - | - | 26.54 | 0.04 | - | 26.57 |
| Total | 17,685.25 | 1,154.10 | 249.47 | 8,261.40 | 618.37 | 210.23 | 8,76 |
| Total - Previous Year | 17,542.36 | 539.69 | 396.80 | 8,034.19 | 576.97 | 349.76 | 9,920.35 |
| *Capital work-in-progress ⁹ | 4,136.81 | 4,376.14 | 1,154.10 | - | - | - | 8,669.53 |
| (Previous year) | 1,098.92 | 3,577.58 | 539.69 | - | - | - | 8,261.40 |
| | | | | | | | 7,358.85 |
| | | | | | | | 4,136.81 |

*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 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 Tehsilidara 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. As per Supreme Court's directions, the CEC has now submitted another detailed report on 19.03.2025. The matter is now listed for submission of replies to the CEC's report by BALCO on 26.05.2025.

3. As part of Annual review, useful lives of certain assets has been re-estimated based on usability according to which additional depreciation has been recognised of ₹ 53.35 Crores in Current year.

4. For lien / charge against property, plant and equipment refer note no. 19, 24 & 25.

5. Refer note 36 for depreciation and amortisation expenses.



Bharat Aluminium Company Limited
Notes to the financial statements as at March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

6. Disclosure of Right of Use (ROU) Assets as per IndAS 116 - "Leases"^{1,2}

| Particulars | ROU Land |
|--|----------|
| Gross Block | 35.30 |
| (Previous year) | 35.30 |
| Accumulated Depreciation | 26.57 |
| (Previous year) | 26.54 |
| Depreciation charged during the period | 0.04 |
| (Previous year) | 1.32 |
| Carrying book value as on March 31, 2025 | 8.73 |
| (Previous year) | 8.76 |

6.1. The above ROU is getting depreciated over a useful life of 99 years.

6.2. Carrying amount of Lease liability as on 31st March 2025 and 31st March 2024 is Nil and hence no further disclosure related to movement of lease liabilities, accretion of interest and maturity analysis has been given.

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 | 0.02 | 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 06.08.2025. |

8. Please refer note 35 for interest capitalised during the year and note 34 for manpower cost capitalised during the year.

9. Capital work-in-progress ageing schedule as at March 31, 2025:¹

| CWIP | Amount in CWIP | | | | Total |
|--------------------------------|------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 4,389.04 | 2,219.07 | 696.64 | 54.11 | 7,358.85 |
| (Previous year) | 3,527.82 | 559.14 | 48.61 | 1.24 | 4,136.81 |
| Projects temporarily suspended | - | - | - | - | - |
| (Previous year) | - | - | - | - | - |
| Total | 4,389.04 | 2,219.07 | 696.64 | 54.11 | 7,358.85 |
| Total - Previous Year | 3,527.82 | 559.14 | 48.61 | 1.24 | 4,136.81 |

9.1. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan during current financial year and previous financial year



Bharat Aluminium Company Limited
Notes to the financial statements as at March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

Intangible Assets¹⁰

| Particulars | Gross Block | | | Accumulated Amortisation | | | Net Block As at March 31, 2025 |
|-------------------------|------------------------|-----------|------------|--------------------------|---------------------|------------|--------------------------------------|
| | As at April 1, 2024 | Additions | Deductions | As at April 1, 2024 | Charge for the year | Deductions | |
| Software license | 1.72 | 0.62 | - | 1.21 | 0.21 | - | 1.42 |
| Previous year | 10.09 | 0.01 | 8.38 | 9.39 | 0.20 | 8.38 | 1.21 |
| Right of use assets. | - | 19.54 | - | - | 6.51 | - | 6.51 |
| Previous year | - | - | - | - | - | - | - |
| Total Intangible Assets | 1.72 | 20.17 | - | 1.21 | 6.72 | - | 7.93 |
| Previous year | 10.09 | 0.01 | 8.38 | 9.39 | 0.20 | 8.38 | 1.21 |

10. Disclosure of Right of Use (ROU) Assets as per Ind AS 116 - "Leases"^{1,2}

| Particulars | ROU Software license |
|--|----------------------|
| Gross Block | 19.54 |
| (Previous year) | - |
| Accumulated Depreciation | 6.51 |
| (Previous year) | - |
| Depreciation charged during the period | 6.51 |
| (Previous year) | - |
| Carrying book value as on March 31, 2025 | 13.03 |
| (Previous year) | - |

10.1. The above ROU is getting depreciated over a useful life of 5 years.

10.2. Carrying amount of Lease liability as on 31st March 2025 is ₹13.03 Cr and 31st March 2024 is Nil and refer note 20 for disclosure related to movement of lease liabilities, accretion of interest and refer note 44 for maturity analysis.

5 Exploration intangible assets under development as at March 31, 2025

| Particulars | Amount | | |
|--|------------------------|-----------|------------|
| | As at April 1, 2024 | Additions | Deductions |
| Exploration intangible asset under development | 16.69 | 69.74 | - |
| Previous year | - | 16.69 | - |

| Exploration intangible assets | Amount | | | Total |
|-------------------------------|------------------|-----------|-----------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | |
| Projects in progress | 69.74 | 0.25 | 16.44 | 86.43 |
| (Previous year) | 0.25 | 16.44 | - | 16.69 |



Bharat Aluminium Company Limited
Notes to the financial statements as at March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

6 Financial assets - Non current : Investments¹
(at fair value through OCI and profit and loss)

Measured at fair value through profit and loss

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| A. Investment in Preference shares - Unquoted | | |
| Serentica Renewables India 1 Private Limited* (14,90,00,000 Optionally Convertible Redeemable Preference Shares (March 31, 2024: 75,00,000) of ₹ 10 each) | 149.00 | 75.00 |
| Serentica Renewables India 7 Private Limited (9,03,20,000 Optionally Convertible Redeemable Preference Shares (March 31, 2024: 4,03,20,000) of ₹ 10 each) | 90.32 | 40.32 |
| Serentica Renewables India 8 Private Limited (6,30,00,000 Optionally Convertible Redeemable Preference Shares (March 31, 2024: 3,30,00,000) of ₹ 10 each) | 63.00 | 33.00 |
| Total (A) | 302.32 | 148.32 |

*The Company does not exercise significant influence or control on decision of investees. Hence they are not being construed as associate companies.

Measured at fair value through other comprehensive income

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| B. Investment in equity shares - Unquoted | | |
| Serentica Renewables India 1 Private Limited (4,10,00,000 equity shares of class B (March 31, 2024: Nil) of ₹ 10 each) | 41.00 | - |
| Total (B) | 41.00 | - |

| | | |
|--------------------|---------------|---------------|
| Total (A+B) | 343.32 | 148.32 |
|--------------------|---------------|---------------|

1. The Company has executed new Power Delivery Agreements ("PDA") with Serentica group companies (Serentica Renewables India 1 Private Limited, Serentica Renewables India 7 Private Limited and Serentica Renewables India 8 Private Limited) which are associates of Vedanta Incorporated (Erstwhile Volcan Investments Limited (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 ₹ 195.00 Crores (March 31, 2024: ₹ 73.32 Crores) in Optionally Convertible Redeemable Preference shares ("OCRPS") of ₹ 10 each of Serentica group companies. The Company has considered the investments as fair value through profit and loss.

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. Out of the total investment, 41.00 Crores (31 March 2024: ₹ NIL Crores) worth of OCRPS are converted into equity shares of SRI1PL as per the terms of the PDA. As at 31 March 2025, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 151.08 Crores (31 March 2024: ₹ 346.68 Crores). The Company has involved external valuations experts for the fair valuation of investments as on the balance sheet date

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Unsecured | | |
| Considered good | - | - |
| Significant increase in credit risk | 188.76 | 174.75 |
| Total | 188.76 | 174.75 |
| Less: Allowances for expected credit loss | (63.21) | (58.53) |
| Total Non Current trade receivable | 125.55 | 116.22 |

Notes:

1. Carrying value of trade receivable may be affected by the changes in the credit risk of counterparties as explained in note no. 44 as well as for time value of money where collection is expected to be delayed.

2. Maturity profile is as per note no. 44.

3. For lien/charge against trade receivable refer note nos. 19, 24 and 25.

4. No trade receivable is due from directors or other officers of the Company either severally or jointly with any other person (March 31, 2024: Nil). No trade receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.



Bharat Aluminium Company Limited
Notes to the financial statements as at March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

5. Trade receivables includes ₹ 90.03 Crores (March 31, 2024: ₹ 90.03 Crores) (Net of allowance of expected credit loss ("ECL") of ₹ 45.34 Crores) 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 it to be highly probable that the disputes will ultimately be resolved in favour of the Company.

6. Ageing has been considered from the date of credit period expired, wherever applicable or from the date of invoice where there are no contracted credit period.

Non Current trade receivables ageing schedule as at March 31, 2025*:

| Particulars | Outstanding from due date of payment as on March 31, 2025 | | | | | | |
|--|---|---------------|-------------------|-------------|--------------|-------------------|---------------|
| | Not Due | Upto 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Disputed** | | | | | | | |
| - considered good | - | - | - | - | - | - | - |
| - which have significant increase in credit risk | 2.93 | 5.43 | 10.60 | 2.98 | 31.44 | 135.38 | 188.76 |
| - credit impaired | - | - | - | - | - | - | - |
| | 2.93 | 5.43 | 10.60 | 2.98 | 31.44 | 135.38 | 188.76 |
| Less: Allowances for expected credit loss | (0.98) | (1.80) | (3.55) | (1.00) | (10.54) | (45.34) | (63.21) |
| | 1.95 | 3.63 | 7.05 | 1.98 | 20.90 | 90.04 | 125.55 |
| Total | 1.95 | 3.63 | 7.05 | 1.98 | 20.90 | 90.04 | 125.55 |

Non Current trade receivables ageing schedule as at March 31, 2024*:

| Particulars | Outstanding from due date of payment as on March 31, 2024 | | | | | | |
|--|---|---------------|-------------------|--------------|-----------|-------------------|---------------|
| | Not Due | Upto 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Disputed** | | | | | | | |
| - considered good | - | - | - | - | - | - | - |
| - which have significant increase in credit risk | 3.29 | 1.98 | - | 20.91 | - | 148.57 | 174.75 |
| - credit impaired | - | - | - | - | - | - | - |
| | 3.29 | 1.98 | - | 20.91 | - | 148.57 | 174.75 |
| Less: Allowances for expected credit loss | - | - | - | - | - | (58.53) | (58.53) |
| | 3.29 | 1.98 | - | 20.91 | - | 90.04 | 116.22 |
| Total | 3.29 | 1.98 | - | 20.91 | - | 90.04 | 116.22 |

*There are no unbilled trade receivable as on March 31, 2025 and March 31, 2024.

** Disputed dues are considered good basis sub note 5 & 6 above

Movement of Allowance for expected credit loss

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Opening Balance | 58.53 | 34.10 |
| Change in estimates | - | - |
| Additions to allowances | 4.68 | 58.53 |
| Adjusted against bad debts written off | - | (34.10) |
| Closing Balance | 63.21 | 58.53 |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------|----------------------|----------------------|
| Unsecured, considered good | | |
| Loan to employees ¹ | 0.08 | 0.08 |
| Total | 0.08 | 0.08 |

1. For details of classification of financial assets and fair value hierarchy refer note no. 44.



Bharat Aluminium Company Limited
Notes to the financial statements as at March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

9 Financial assets - Non Current : Others¹
(at amortised cost)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Unsecured, considered good | | |
| Security deposits | 39.51 | 51.87 |
| Site restoration asset | - | 15.46 |
| Bank Deposits ² | 17.72 | 23.35 |
| Other receivables | 2.03 | |
| Unsecured, considered doubtful | | |
| Other receivables having significant increase in credit risk | 1.02 | 5.71 |
| Less: allowance for expected credit loss | (1.02) | (1.91) |
| Total | 59.26 | 94.48 |

1. For details of classification of financial assets and fair value hierarchy refer note no. 44.

2. Bank deposits represents fixed deposits with maturity more than 12 months under lien with banks against bank guarantee.

10 Other non-current assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Unsecured, considered good | | |
| Capital advances | 202.48 | 526.01 |
| Prepaid expenses ¹ | 0.57 | 4.96 |
| Claims and other receivables ² | 116.76 | 104.90 |
| Total | 319.81 | 635.87 |

1. Includes ₹ NIL (March 31, 2024: ₹ 4.43 Crores) excess of actual expenditure incurred towards Corporate Social Responsibility over obligation till date, refer note no 37 (2).

2. Claims and other receivables includes following :

a. Receivables pertaining to energy development cess levied by Government of Chhattisgarh ₹ 34.54 Crores (March 31, 2024: ₹ 34.54 Crores) 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 possible 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 ₹ 10.08 Crores (March 31, 2024 : ₹ 10.08 Crores), which are disputed by them. The Company is also disputing the claim for Electricity duty/surcharge made by MPEB/CSEB amounting to ₹ 13.23 Crores (March 31, 2024: ₹ 13.23 Crores). 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.

11 Current assets: Inventories (At lower of cost and net realisable value)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------------|----------------------|----------------------|
| (a) Raw materials | 493.28 | 458.34 |
| Goods-in transit | 238.06 | 232.95 |
| | 731.34 | 691.29 |
| (b) Fuel stock | 151.70 | 92.35 |
| Goods-in transit | 10.24 | 6.41 |
| | 161.94 | 98.76 |
| (c) Work-in-progress | 351.94 | 292.87 |
| Goods-in transit | - | - |
| | 351.94 | 292.87 |
| (d) Finished goods ¹ | 1.67 | 0.29 |
| (e) By-product ¹ | 0.00 | 0.17 |
| (f) Stores and spares ² | 185.18 | 193.84 |
| Goods-in transit | 7.14 | 4.39 |
| | 192.32 | 198.23 |
| Total | 1,439.21 | 1,281.61 |



Bharat Aluminium Company Limited**Notes to the financial statements as at March 31, 2025**

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

1. Inventories held at net realizable value amounted to ₹ 1.39 Crores (March 31, 2024: ₹ 3.02 Crores). The write down on inventories amounting to ₹ 9.85 Crores for the year (March 31, 2024: ₹ 7.31 Crores) has been charged to the Statement of Profit and Loss.
2. Provision in respect of slow-moving, damaged, or obsolete inventories of stores and spares lying in books on March 31, 2025 is ₹ 7.89 Crores (March 31, 2024: ₹ 12.17 Crores).
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, 24 & 25.
4. For mode of valuation for each class of inventories, refer note no. 3(a)(I).
5. Inventories lying with third party is ₹ 255.44 Crores (March 31, 2024: ₹ 243.75 Crores)

12 Financial assets - Current : Investments¹

(at fair value through profit and loss)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Investments | | - |
| Investments in mutual funds - unquoted | 1,040.34 | - |
| Total | 1,040.34 | - |
| Aggregate amount of unquoted investments | 1,040.34 | - |

1. For determination of fair value refer note no. 44.

13 Financial Assets- Current : Trade receivables

(at amortised cost and at fair value through profit and loss)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------|----------------------|----------------------|
| Secured⁶ | | |
| Considered good | 120.03 | 322.54 |
| | 120.03 | 322.54 |
| Unsecured⁴ | | |
| Considered good | 3.37 | 2.33 |
| | 3.37 | 2.33 |
| Total | 123.40 | 324.87 |

1. Carrying value of trade receivables may be affected by the changes in the credit risk of counterparties as explained in note no. 44.

2. Maturity profile is as per note no. 44.

3. For lien/charge against trade receivables refer note nos. 19, 24 and 25.

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, 2024 : Nil). For amount due from related parties, refer note no. 43.

5. Ageing has been considered from the date of credit period expired, wherever applicable or from the date of invoice where there are no contracted credit period.

6. Debtors are secured against letter of credit or bank guarantee.

Current trade receivables ageing schedule as at March 31, 2025*:

| Particulars | Outstanding from due date of payment as on March 31, 2025 | | | | | | |
|---|---|---------------|-------------------|-----------|-----------|-------------------|---------------|
| | Not Due | Upto 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed | | | | | | | |
| - considered good | 94.46 | 28.94 | - | - | - | - | 123.40 |
| - credit impaired | - | - | - | - | - | - | - |
| | 94.46 | 28.94 | - | - | - | - | 123.40 |
| Less: Allowances for expected credit loss | - | - | - | - | - | - | - |
| | 94.46 | 28.94 | - | - | - | - | 123.40 |
| Total** | | | | | | | 123.40 |



Current trade receivables ageing schedule as at March 31, 2024*:

| Particulars | Outstanding from due date of payment as on March 31, 2024 | | | | | | |
|--------------------------------------|---|---------------|-------------------|-----------|-----------|-------------------|---------------|
| | Not Due | Upto 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed | | | | | | | |
| - considered good | 148.89 | 175.98 | - | - | - | - | 324.87 |
| - credit impaired | - | - | - | - | - | - | - |
| | 148.89 | 175.98 | - | - | - | - | 324.87 |
| Less: Allowances for credit impaired | - | - | - | - | - | - | - |
| | 148.89 | 175.98 | - | - | - | - | 324.87 |
| Total** | | | | | | | 324.87 |

*There are no unbilled trade receivable as on March 31, 2025 and March 31, 2024.

** There are no disputed receivables as on March 31, 2025 and March 31, 2024.

14 Financial Assets- Current : Cash and cash equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---------------------|----------------------|----------------------|
| Balances with banks | 194.47 | 281.75 |
| Cash on hand | 0.01 | 0.00 |
| Total | 194.48 | 281.75 |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------|----------------------|----------------------|
| Unsecured, considered good | | |
| Loans to employees | 0.60 | 0.64 |
| Total | 0.60 | 0.64 |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Unsecured, considered good | | |
| Security deposits | 0.06 | 0.13 |
| Receivables from related parties (also refer note no. 43) | 14.23 | 6.43 |
| Site restoration asset ² | 19.77 | - |
| Other receivables ³ | 44.21 | 51.37 |
| Total | 78.27 | 57.93 |

Notes:

1. For details of classification of financial assets and fair value hierarchy refer note no. 44.

2. Represents deposits with Ministry of Coal pertaining to coal block which earns interest at fixed rate based on respective deposit rate.

3. Includes marked to market valuation of derivative contract entered into to hedge risk of fluctuation of commodity prices as at March 31, 2025 ₹ 35.82 Crores (March 31, 2024 ₹ 34.61 Crores), also refer note 44.

17 Other Current Assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Unsecured, considered good | | |
| Advances to suppliers | 146.61 | 173.23 |
| Prepaid expenses ¹ | 39.67 | 63.13 |
| Claims and other receivables | 6.45 | - |
| Balances with statutory/Government authorities | 7.71 | 17.73 |
| Export incentives receivable | 5.37 | 10.89 |
| Total | 205.81 | 264.98 |

Notes:

1. Includes ₹ 23.86 Crores (March 31, 2024: ₹ 36.66 Crores) excess of actual expenditure incurred towards Corporate Social Responsibility over obligation till date, refer note no 37 (2).

2. Also refer note 10.2 for claims and other receivables.



18 Share capital

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|----------------------|---------------|----------------------|---------------|
| | 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 |

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, 2025 | | As at March 31, 2024 | |
|--|----------------------|--------|----------------------|--------|
| | 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, 2025 | | As at March 31, 2024 | |
|--|----------------------|--------------|----------------------|--------------|
| | 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 11,25,18,495 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, 2025 | | | As at March 31, 2024 | | |
|-----------------|--------------------------------------|-------------------|--------------------------|--------------------------------------|-------------------|--------------------------|
| | 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% | - |

v) As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.



19 Financial liabilities -Non current Borrowings²:
(at amortised cost)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Secured | | |
| Rupee Term loans from banks ¹ | 2,547.47 | 1,784.79 |
| Total | 2,547.47 | 1,784.79 |

| 1. Interest, repayment terms and security details of borrowings | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Rupee Term loan (HDFC Bank) | 295.05 | 109.39 |
| Rupee term loans from various banks secured by first pari passu charge on movable property, plant and equipments (excluding coal block) of the Company. Weighted average rate of interest is 8.55% (March 31, 2024: 8.87%) and are repayable in 16 quarterly installments. | | |
| Rupee Term loan (Bank of Baroda) | 439.28 | 478.92 |
| Rupee term loans from various banks secured by first pari passu charge on movable property, plant and equipments (excluding coal block) of the Company. Weighted average rate of interest is 8.77% (March 31, 2024: 8.63%) and are repayable in 14 quarterly installments. | | |
| Rupee Term loan (UCO Bank) | 424.06 | - |
| Rupee term loans from various banks secured by first pari passu charge on movable property, plant and equipments (excluding coal block) of the Company. Weighted average rate of interest is 9.51% (March 31, 2024: 8.69%) and are repayable in 17 quarterly installments. | | |
| Rupee Term loan (Canara Bank) | 2,265.32 | 1,327.58 |
| Rupee term loans from various banks secured by first pari passu charge on movable property, plant and equipments (excluding coal block) of the Company. Weighted average rate of interest is 8.65% (March 31, 2024: 8.81%) and are repayable in 14 quarterly installments. | | |
| Rupee Term loan (Axis Bank) | 0.00 | 134.36 |
| Rupee term loans from various banks secured by first pari passu charge on movable property, plant and equipments (excluding coal block) of the Company. Weighted average rate of interest as on March 31, 2024 is 9.34% | | |
| Total borrowings | 3,423.71 | 2,050.25 |
| Less: Current Maturity of Long Term Borrowings | 876.24 | 265.46 |
| Net Non-Current borrowings | 2,547.47 | 1,784.79 |

2. 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.

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, 2023 | 652.14 | 477.33 | 1,129.47 |
| Cash inflow | 150.10 | 1,595.55 | 1,745.65 |
| Cash outflow | (450.10) | (372.18) | (822.28) |
| Other Non cash changes | (86.68) | 84.09 | (2.59) |
| As at April 1, 2024 | 265.46 | 1,784.79 | 2,050.25 |
| Cash inflow | 27.68 | 1,737.16 | 1,764.85 |
| Cash outflow | (0.46) | (362.59) | (363.05) |
| Other Non cash changes | 583.56 | (611.89) | (28.34) |
| As at March 31, 2025 | 876.24 | 2,547.47 | 3,423.71 |

Other non-cash changes comprises of amortisation of borrowing costs and reclassification between borrowings due within one year and borrowings due after one year.



Bharat Aluminium Company Limited
Notes to the financial statements as at March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

20 Movement in lease liabilities is as follows:

| Particulars | Amount |
|-------------------------------|--------------|
| At 1st April 2024 | - |
| Additions during the year | 19.54 |
| Interest on lease liabilities | 2.03 |
| Payment made ¹ | (7.89) |
| As at 31st March 2025 | 13.68 |

1. Includes payment of interest on lease liabilities of ₹ 2.03 Crores.

21 Financial liabilities - Non current: Others¹
(at amortised cost)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-------------------|----------------------|----------------------|
| Capital creditors | 286.93 | 162.29 |
| Total | 286.93 | 162.29 |

1. For details of classification of financial liabilities and fair value hierarchy refer note no. 44

22 Provisions : Non current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Provision for employee benefits ¹ | 112.10 | 129.96 |
| Provision for site restoration and rehabilitation ^{2,3} | - | 11.50 |
| Total | 112.10 | 141.46 |

1. Includes Gratuity and Post Retirement Medical Benefits (PRMB). Also refer note no. 28 and 40.

2. Provision for site restoration and rehabilitation

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------------|----------------------|----------------------|
| Opening balance | 11.50 | 8.69 |
| Add: Unwinding of discount | 0.14 | 2.42 |
| Revision in estimates* | - | 0.39 |
| Reclassified to Current provisions | (11.64) | - |
| Closing balance | - | 11.50 |

*Also refer note 36 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 8% to 9%, and become payable on closure of mines and are expected to be incurred over a period of upto 2 years.

23 Other liabilities : Non current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Deferred Government grants ¹ | 907.30 | 795.95 |
| Total | 907.30 | 795.95 |

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 as per the guidance given under Ind AS 20.

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Secured | | |
| Current maturities of long term borrowings ¹ | 876.24 | 265.46 |
| | 876.24 | 265.46 |
| Unsecured | | |
| Working Capital Loan | 27.22 | - |
| | 27.22 | - |
| Total | 903.46 | 265.46 |



Bharat Aluminium Company Limited
Notes to the financial statements as at March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

1. Current maturities of long term borrowings

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------|----------------------|----------------------|
| Term loans from banks | 876.24 | 265.46 |
| Total | 876.24 | 265.46 |

1.1. Interest, security and payment terms as detailed in note no. 19 and for movement in borrowings during the year refer note 19A.

1.2. There were no differences as reported in the quarterly returns in terms of current assets secured against borrowings outstanding during the year.

25 Financial liabilities -Current Operational buyers' credit/suppliers' credit^{1,2}
(at amortised cost)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Operational buyers' credit/suppliers' credit | 684.35 | 1,038.42 |
| Total | 684.35 | 1,038.42 |

1. Operational Buyers'/Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 4.65% to 6.20% per annum.

2. Operational buyers' credit/suppliers' credit from HDFC Bank 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 current and non-current fund based and non-fund based facilities.

26 Financial liabilities - Current: Trade payables^{3,5}
(at amortised cost)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Total outstanding dues of micro and small enterprises ⁴ | 45.76 | 36.96 |
| Total (a) | 45.76 | 36.96 |
| Total outstanding dues of creditors other than micro and small enterprises ^{1,2} | 625.31 | 827.36 |
| Dues to related parties (also refer note no. 43) | 15.76 | 4.37 |
| Total (b) | 641.07 | 831.73 |
| Total (a+b) | 686.83 | 868.69 |

Notes:

1. During the year ended March 31, 2024 pursuant to withdrawal of show cause notice issued by the Nominated Authority for imposition of levy for the financial year end March 31, 2021. for efficiency parameters related to extraction as the Company had achieved the Peak Rated Capacity (PRC) in the financial year 2019-20, the Company has reversed provision aggregating ₹ 131.00 Crores towards such levy for the year ended March 31, 2021 and year ended March 31, 2022 which has been netted off with Power and Fuel expense.

2. Trade payables are non-interest bearing and are normally settled up to 180 days terms.

3. Also refer note no. 37

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, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 45.76 | 36.96 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the year | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |



5. Ageing has been considered from the date of expiry of credit period, if available or from the date of transaction.

Trade payables ageing schedule as at March 31, 2025

| Particular | Unbilled | not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|---------------|-------------|------------------|-------------|-------------|-------------------|---------------|
| (i) Micro, and Small Enterprises -undisputed | 35.93 | - | 9.83 | - | - | - | 45.76 |
| (ii) Micro and Small Enterprises -disputed | - | - | - | - | - | - | - |
| (i) Others- Undisputed | 217.81 | 2.83 | 361.81 | 5.26 | 5.09 | 7.85 | 600.65 |
| (ii) Others -Disputed | - | - | 3.74 | 3.91 | 2.46 | 30.31 | 40.42 |
| Total | 253.74 | 2.83 | 375.38 | 9.17 | 7.55 | 38.16 | 686.83 |

Trade payables ageing schedule as at March 31, 2024

| Particular | Unbilled | not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---------------|--------------|------------------|--------------|--------------|-------------------|---------------|
| (i) Micro and Small Enterprises -undisputed | 26.96 | 3.65 | 6.35 | - | - | - | 36.96 |
| (ii) Micro and Small Medium Enterprises -disputed | - | - | - | - | - | - | - |
| (i) Others- Undisputed | 304.44 | 58.46 | 197.64 | 22.07 | 11.94 | 13.83 | 608.38 |
| (ii) Others -Disputed | - | - | 49.72 | 26.28 | 24.97 | 122.38 | 223.35 |
| Total | 331.40 | 62.11 | 253.71 | 48.35 | 36.91 | 136.21 | 868.69 |

27 Financial liabilities- Current :Others²
(at amortised cost and fair value through profit and loss)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| At Amortised Cost: | | |
| Interest accrued but not due | 18.26 | 13.97 |
| Capital creditors | 515.80 | 414.92 |
| Dues to related parties (refer note no. 43) | 4.29 | 0.90 |
| Security deposits from vendors and others | 23.53 | 28.85 |
| Employee Liabilities | 81.88 | 65.84 |
| At fair value through profit and loss: | | |
| Other liabilities ¹ | 15.83 | 2.94 |
| Total | 659.59 | 527.42 |

Notes:

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. 44.

28 Provisions : Current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Employee benefits ¹ | 84.31 | 61.08 |
| Provision for site restoration and rehabilitation ^{2,3} | 11.64 | - |
| Disputes and claims ⁴ | 90.49 | 85.87 |
| Total | 186.44 | 146.95 |

Notes:

1. Includes gratuity, post retirement medical benefits (PRMB) to the extent considered current and leave encashment. Also refer note no. 40.
2. Provision for site restoration and rehabilitation

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Opening balance | - | - |
| Add: Unwinding of discount | - | - |
| Revision in estimates* | - | - |
| Reclassified from Non Current provisions | 11.64 | - |
| Closing balance | 11.64 | - |

*Also refer note 36 for depreciation and amortisation of site restoration assets.



Bharat Aluminium Company Limited
Notes to the financial statements as at March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

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 8% to 9%, and become payable on closure of mines and are expected to be incurred over a period of upto 2 years.

| 4. Provision for disputes and claims | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------|----------------------|----------------------|
| Opening balance | 85.87 | 114.28 |
| Interest charged during the year | 4.62 | 4.63 |
| Payment made/adjusted during the year | - | (33.04) |
| Closing balance¹ | 90.49 | 85.87 |

1. Represents provision for disputed case (including interest) with Madhya Pradesh Electricity Board (MPEB)/Chhattisgarh State Electricity Board (CSEB) amounting to ₹ 49.60 Crores (March 31, 2024: ₹49.60 Crores) for electricity duty/surcharge pending in Chhattisgarh High Court and provision for vendor disputed case related to mining and transportation charges of raw material amounting to ₹ 40.89 Crores (March 31, 2024 ₹ 36.27 Crores). The above provision is net of amount paid under protest amounting to ₹ 33.03 Crores (March 31, 2024: ₹ 33.03 Crores).

29 Other liabilities : Current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Deferred Government grants (refer note no. 23(1)) | 41.40 | 26.35 |
| Statutory liabilities ^{1,3} | 848.82 | 827.38 |
| Advance from customers ² | 165.24 | 166.05 |
| Total | 1,055.46 | 1,019.78 |

Notes:

1. Also refer note 37.

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.

3. During the year ended March 31, 2025 certain unclaimed liabilities aggregating ₹ 35.68 Crores (March 31, 2024: ₹114 Crores) towards charges for power purchased from market sources and internally transferred from Independent Power Plant have been written back in view of applicability of The Limitation Act, 1963 which is supported by legal opinions obtained in this regard.



Bharat Aluminium Company Limited**Notes to the financial statements for the year ended March 31, 2025***(All amounts in ₹ Crores, unless otherwise stated)***30 Revenue from operations**

| Particulars | For the year ended | |
|--------------------------------------|--------------------|------------------|
| | March 31, 2025 | March 31, 2024 |
| Sale of products and supply of power | 15,807.97 | 13,140.73 |
| Total | 15,807.97 | 13,140.73 |

Notes:

- (a) Revenue from sale of products and supply of power comprises of revenue from contracts with customers of ₹ 16,160.88 Crores (March 31, 2024: ₹ 13,583.49 Crores) and net loss on mark-to-market of ₹ 352.91 Crores (Net loss on March 31, 2024: ₹ 442.76 Crores) and includes gains/losses relating to sale of products during the year at prices that were provisional at the time of sale and are pending final settlement at the year end.
- (b) Includes ₹ 166.05 Crores (March 31, 2024: ₹ 155.16 Crores) for which contract liabilities existed at the beginning of the year.
- Performance obligation pending at the year end in respect of sale of products to customers recognised during the year are immaterial and hence not disclosed separately. Corresponding revenue will be recognised as and when such obligations will be performed.
- For details on disaggregation of revenue, refer note 42D.
- Majority of the Company's sales of products and supply of power are against advances or 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.

31 Other operating income

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| (i) Export incentives | 27.68 | 38.77 |
| (ii) Scrap sales | 49.70 | 48.73 |
| (iii) Miscellaneous income ¹ | 23.57 | 54.06 |
| Total | 100.95 | 141.56 |

- Miscellaneous income majorly sale of Energy saving certificates.

32 Other income

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Net gain on investments measured at fair value through profit or loss | 53.37 | 10.18 |
| Interest Income from financial assets at amortised cost | | |
| (i) Bank deposits | 4.15 | 2.30 |
| (ii) Others ¹ | 143.33 | 99.76 |
| Gain on sale/discard of property, plant and equipments | 14.92 | 44.88 |
| Unclaimed liabilities written back (net) ^{2,3,4} | 268.79 | 60.69 |
| Miscellaneous income ⁶ | 47.95 | 31.29 |
| Deferred Government grant income ⁵ | 26.73 | 25.50 |
| Total | 559.24 | 274.60 |

- Includes ₹ 8.78 Crores on March 31, 2025 (March 31, 2024: ₹ 11.31 Crores) 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.
- During the year ended March 31, 2024 the Company has reversed net provision of ₹ 49 Crores (including interest of ₹ 37 Crores) towards an arbitration award in favour of a vendor in a prior year, now debarred under Law of Limitation and hence written back.
- During the year, provision aggregating ₹ 182.64 Crores towards upkeep charges recognised in prior years as per Arbitration order which was subject to conditions specified therein, has been reversed pursuant to management's re-assessment regarding adherence with aforesaid conditions and ongoing discussions with the vendor as submitted before Hon'ble Delhi High Court. The management strongly believes that the Company does not have any obligation to pay this amount, which is duly supported by legal opinion obtained in this regard.



Bharat Aluminium Company Limited
Notes to the financial statements for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

4. During the year, provision of ₹ 59.24 Crores towards disposal of fly ash has been reversed based on management's reassessment that the Company does not have any legal obligation for disposal of such fly ash based on the guidelines issued by the MOEFC in 2021 and 2022 which is duly supported by legal opinion obtained in this regard.

5. Income from deferred government grants is amortised over the useful life of related assets. For nature of Government grant refer note no 23 (1).

6. Miscellaneous income mainly includes receipts from insurance claims, hospital and rent.

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

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Opening inventories | | |
| Finished goods | 0.29 | 0.00 |
| Work in progress | 292.87 | 383.49 |
| By products | 0.17 | 0.41 |
| | 293.33 | 383.90 |
| Closing inventories | | |
| Finished goods | 1.67 | 0.29 |
| Work in progress | 351.94 | 292.87 |
| By products | 0.00 | 0.17 |
| | 353.61 | 293.33 |
| Finished Goods/Work in progress consumed for asset under construction | 83.32 | 237.86 |
| Total | (143.60) | (147.29) |

34 Employee benefits expense

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| (a) Salaries and wages ¹ (refer note no. 43) | 444.85 | 362.01 |
| (b) Contributions to provident and other funds (refer note no. 40) | 26.05 | 22.48 |
| (c) Gratuity expense | 5.30 | 4.95 |
| (d) Staff welfare expenses | 45.55 | 45.62 |
| (e) Long term incentive plan (LTIP) ² | 7.39 | 6.72 |
| Total | 529.14 | 441.78 |
| Less: Capitalisation of Manpower cost | (77.66) | (52.51) |
| Total | 451.48 | 389.27 |

Notes:

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 introduced an Employee Stock Option Scheme 2016 ("ESOS"), which 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 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 ESOS schemes are administered through VESOS trust and have underlying Vedanta Limited equity shares. Options granted during the year ended March 31, 2025 and year ended March 31, 2024 includes business performance based, sustained individual performance based, management discretion and fatality multiplier based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, Free Cash Flows, ESG and Carbon footprint or a combination of these for the respective business/ SBU entities. The exercise price of the options is ₹ 1 per share and the performance period is three years, with no re-testing being allowed

Further, in accordance with the terms of the agreement between the Parent and the Company, the cost recognised towards ESOS scheme is recovered by the Parent from the Company.

Amount recovered by Vedanta Limited and recognized by the Company in the Statement of Profit and Loss for the year ended March 31, 2025 is ₹ 7.39 Crores (March 31, 2024 : ₹ 6.72 Crores). The Company considers these amounts as not material and accordingly has not provided further disclosures.



Bharat Aluminium Company Limited
Notes to the financial statements for the year ended March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)
35 Finance cost

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Interest expense | 417.06 | 299.72 |
| Other finance cost | 10.47 | 10.99 |
| Net interest on defined benefit obligation | 10.31 | 11.00 |
| Less: Capitalisation of Finance cost ¹ | (234.40) | (131.25) |
| Total | 203.44 | 190.46 |

1. Interest rate of 8.85% (March 31, 2024: 8.84%) was used to determine the amount of general borrowing costs eligible for capitalization amounting to ₹ 82.73 Crores (March 31, 2024: ₹ 59.33 Crores) in respect of qualifying asset for the year ended March 31, 2025. Further, interest has been capitalized amounting to ₹ 151.67 Crores (March 31, 2024: ₹ 71.92 Crores) related to specific borrowing at an average interest rate of 8.45% (March 31, 2024: 8.81%).

36 Depreciation and amortisation expense

| Particulars | For the year ended | |
|--------------------------------------|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Tangible assets (Refer note no. 4) | 618.37 | 576.97 |
| Intangible assets (Refer note no. 4) | 6.72 | 0.20 |
| Total | 625.09 | 577.17 |

37 Other expenses

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Consumption of stores and spare parts | 306.37 | 274.24 |
| Repairs and maintainance | | |
| Plant and machinery | 393.82 | 372.07 |
| Buildings | 53.34 | 46.47 |
| Others | 79.35 | 85.72 |
| Other manufacturing and operating expenses | 108.46 | 96.14 |
| Rent* | 1.56 | 1.50 |
| Rates and taxes ³ | 60.81 | 137.14 |
| Insurance | 30.12 | 29.25 |
| Directors sitting fees and commission | 0.73 | 0.72 |
| Payments to auditors ¹ | 1.33 | 1.26 |
| Net loss on foreign currency transactions and translation (other than considered as finance cost) | 50.77 | 197.44 |
| Consultants and professional fees | 41.06 | 26.54 |
| Corporate Social Responsibility Expenses ² | 36.66 | 36.43 |
| Carriage outwards | 61.59 | 71.11 |
| Other selling expenses | | |
| Miscellaneous expenses | 144.91 | 133.85 |
| Allowances of impairment on financial and non-financial assets/ bad debts written off | 3.79 | 60.44 |
| Total | 1,374.67 | 1,570.32 |

*Represents expense on short term/low value leases

1. Payments to auditors

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| For Statutory Audit | 0.53 | 0.56 |
| For parent Company reporting (including quarterly reviews) | 0.55 | 0.55 |
| For other services | 0.13 | 0.04 |
| Reimbursement of expenses | 0.12 | 0.11 |
| Total | 1.33 | 1.26 |



Bharat Aluminium Company Limited**Notes to the financial statements for the year ended March 31, 2025**

(All amounts in ₹ Crores, unless otherwise stated)

2. Corporate Social Responsibility Expenses

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Gross amount required to be spent by the Company during the year | 36.66 | 36.43 |
| Amount approved by the Board to be spent during the year | 20.84 | 16.13 |
| Amount spent in cash on : | | |
| Construction/acquisition of assets | - | - |
| On purposes other than above* | 17.95 | 15.38 |
| Amount yet to be paid in cash | - | - |
| Total amount spent | 17.95 | 15.38 |

* Includes NIL (March 31, 2024: ₹ 1.5 Crores) paid to a related party as disclosed below

Details of CSR activities

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| A) Donation to related party(VMRF) | | |
| i) Health care | - | 1.50 |
| B) Other than related party | | |
| i) Gender equality and women empowerment | 2.47 | 1.84 |
| ii) Health care | 1.42 | 1.66 |
| iii) Promotion of education | 3.74 | 5.33 |
| iv) Rural development projects | 9.52 | 5.01 |
| v) Sanitation works | 0.04 | 0.04 |
| vi) Others | 0.76 | - |
| Total | 17.95 | 15.38 |

The Company has an excess CSR spent of ₹ 23.86 Crores (March 31, 2024: ₹ 42.58 Crores) for which 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 carried forwarded to next year* |
|-----------------|--------------------------------------|------------------------------|----------------------------|---|
| 42.58 | 36.66 | 17.95 | 18.71 | 23.86 |

*Based on the expectation, the Company is expected to utilise ₹ 39.11 Crores within the next financial year

3. During the year ended March 31, 2024 the Company has recognised differential amount of property tax of ₹ 86.66 Crs based on the independent valuer's assessment for FY 2009-10 to FY 2023-24. The Company is in the process of discussion with the municipal authorities for the amount payable based on the independent valuer's report and believes there will be no material change in the outflow.

38 Earnings per share (EPS)

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Net profit after tax for the year | 2,968.93 | 1,384.93 |
| 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) | 134.57 | 62.77 |



Bharat Aluminium Company Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts in ₹ Crores, unless otherwise stated)***39 Tax expense****(a) Tax charge/(credit) recognised in profit or loss**

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Current Tax: | | |
| Current tax on profit for the year | 856.46 | 330.00 |
| Current tax for earlier years | (87.27) | 1.05 |
| Total Current Tax (a) | 769.19 | 331.05 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 145.16 | 154.17 |
| Deferred tax for earlier years | 48.00 | (8.09) |
| Total deferred tax (b) | 193.16 | 146.08 |
| Total tax charge: | 962.35 | 477.13 |
| Profit before tax | 3,931.28 | 1,862.06 |
| Effective income tax rate | 24.48% | 25.62% |

(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, 2025 | March 31, 2024 |
| Accounting profit before tax for the year ended | 3,931.28 | 1,862.06 |
| Indian statutory income tax rate (%) | 25.168% | 25.168% |
| Tax at Indian statutory income tax rate | 989.42 | 468.64 |
| Disallowable expenses | 12.20 | 14.99 |
| One time tax charge/(credit) | 0.00 | 6.35 |
| Adjustment in respect of prior years | (39.27) | (12.85) |
| Tax charge for the year | 962.35 | 477.13 |

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.



Bharat Aluminium Company Limited
Notes to the financial statements as at and for the year ended March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)
(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, 2024 | Charged / (credited) to statement of profit and loss | Charged / (credited) to other comprehensive income | Reclassified to income tax assets | March 31, 2025 |
|--|---------------|---|---|--------------------------------------|-----------------|
| Property, Plant and Equipment | 1,064.50 | 143.44 | - | - | 1,207.94 |
| Voluntary retirement scheme | (2.20) | 2.20 | - | - | 0.00 |
| Employee benefits | (32.93) | 0.17 | (0.02) | - | (32.78) |
| Fair valuation of derivative asset/liability | (4.99) | 0.00 | 24.74 | - | 19.75 |
| Fair valuation of other asset/liability | (0.58) | 0.25 | - | - | (0.33) |
| Others temporary differences | (147.39) | 47.10 | - | - | (100.28) |
| Total | 876.41 | 193.16 | 24.72 | - | 1,094.30 |

| Particulars | April 1, 2023 | Charged / (credited) to statement of profit and loss | Charged / (credited) to other comprehensive income | Reclassified to income tax assets | March 31, 2024 |
|--|---------------|---|---|--------------------------------------|----------------|
| Property, Plant and Equipment | 1,031.87 | 32.63 | - | - | 1,064.50 |
| Voluntary retirement scheme | (4.39) | 2.19 | - | - | (2.20) |
| Employee benefits | (30.68) | (4.36) | 2.11 | - | (32.93) |
| Fair valuation of derivative asset/liability | (3.70) | 4.81 | (6.10) | - | (4.99) |
| Fair valuation of other asset/liability | (3.84) | 3.26 | - | - | (0.58) |
| Unabsorbed depreciation/business losses | (97.68) | 97.68 | - | - | - |
| Others temporary differences | (157.25) | 9.87 | - | - | (147.39) |
| Total | 734.33 | 146.08 | (3.99) | - | 876.41 |

(d) Non-current tax assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Income tax Assets* (Net of provision of tax amounting to ₹102.83 as at 31st March 2024) | - | 61.29 |
| Total | - | 61.29 |

*Non current tax assets represent income tax receivable from Indian tax authorities by the Company.

(e) Current Tax liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Income tax liabilities*(Net of income tax asset) | 92.77 | 47.32 |
| Total | 92.77 | 47.32 |

*Represent income tax payable to Indian tax Authorities by the Company



Bharat Aluminium Company Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts in ₹ Crores, unless otherwise stated)***40 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 ₹ 2.36 Crores (March 31, 2024: ₹ 2.31 Crores) 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 ₹ 1.75 Crores (March 31, 2024: ₹ 2.10 Crores) 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- Funded**

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, 2025 and March 31, 2024. 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 ₹ 21.20 Crores (March 31, 2024: ₹ 17.19 Crores) 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 7.03% (March 31, 2024: 7.10%). Expected rate of return on plan assets is 8.25% (March 31, 2024: 8.25%). The present value of obligation and fair value of plan assets of the trust are summarised below:

| Particulars | March 31, 2025 | March 31, 2024 |
|--|----------------|----------------|
| Fair value of plan assets | 790.10 | 729.42 |
| Present value of defined benefit obligations | 766.47 | 695.72 |
| 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, 2025 | March 31, 2024 |
|--------------------------------|----------------|----------------|
| Government securities | 45.63% | 46.74% |
| Debentures/bonds | 36.46% | 36.41% |
| Equity (includes money market) | 17.91% | 16.85% |

(II) Gratuity - long term defined benefit plan- Funded

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. 34). Based on actuarial valuations conducted as at year end using the projected unit credit method, a provision is recognised in full. The Company's defined benefit plans are funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC. During the year the Company made a contribution of ₹ 17.00 Crores (March 31, 2024: NIL) to Life Insurance Corporation of India (LIC).

(III) Post Retirement Medical Benefits (PRMB)- Unfunded

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.



Bharat Aluminium Company Limited
Notes to the financial statements as at and for the year ended March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)
Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation as at and for the year ended are as follows:

| Particulars | March 31, 2025 | March 31, 2024 |
|--|----------------|----------------|
| Discount rate | 7.03% | 7.10% |
| 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.

Details of Actuarial Valuation carried out on balance sheet date are as under:
Amount recognised in the balance sheet consists of:

| Particulars | March 31, 2025 | | March 31, 2024 | |
|---|----------------|--------------|----------------|--------------|
| | Gratuity | PRMB | Gratuity | PRMB |
| Fair value of plan assets | 17.98 | - | - | - |
| Present value of defined benefit obligations | 91.35 | 66.17 | 85.02 | 60.20 |
| Net liability arising from defined benefit obligations | 73.37 | 66.17 | 85.02 | 60.20 |

Amounts recognised in the statement of profit and loss are as follows:

| Particulars | March 31, 2025 | | March 31, 2024 | |
|---|----------------|-------------|----------------|-------------|
| | Gratuity | PRMB | Gratuity | PRMB |
| Current service cost | 5.30 | 0.74 | 4.95 | 0.89 |
| Net Interest cost | 6.04 | 4.27 | 6.08 | 4.92 |
| Total charge to the statement of profit and loss | 11.34 | 5.01 | 11.03 | 5.81 |

Amounts recognised in other comprehensive income are as follows:

| Particulars | March 31, 2025 | | March 31, 2024 | |
|---|----------------|-------------|----------------|---------------|
| | Gratuity | PRMB | Gratuity | PRMB |
| Re-measurement losses arising from changes in financial assumptions | (0.22) | 0.48 | 2.86 | 1.82 |
| Re-measurement losses/(gains) arising from experience adjustments | 0.30 | 5.99 | (3.42) | (9.63) |
| Re measurement losses/(gains) recognised in OCI | 0.08 | 6.47 | (0.56) | (7.81) |

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

| Particulars | March 31, 2025 | | March 31, 2024 | |
|---|----------------|--------------|----------------|--------------|
| | Gratuity | PRMB | Gratuity | PRMB |
| Opening balance | 85.02 | 60.20 | 82.26 | 66.64 |
| Current service cost | 5.30 | 0.74 | 4.95 | 0.89 |
| Benefits (paid) | (6.06) | (5.51) | (7.71) | (4.46) |
| Interest cost of scheme liabilities | 6.04 | 4.27 | 6.08 | 4.92 |
| Re-measurement losses/(gains) arising from changes in demographic assumptions | - | - | - | - |
| Re-measurement losses/(gains) arising from changes in financial assumptions | (0.22) | 0.48 | 2.86 | 1.82 |
| Re-measurement losses/(gains) arising from experience adjustments | 0.30 | 5.99 | (3.42) | (9.63) |
| Closing balance | 90.38 | 66.17 | 85.02 | 60.20 |

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

| Particulars | March 31, 2025 | | March 31, 2024 | |
|--|----------------|----------|----------------|----------|
| | Gratuity | PRMB | Gratuity | PRMB |
| Opening balance | - | - | - | - |
| Employer contributions | 17.00 | - | - | - |
| Benefits (paid) | - | - | - | - |
| Interest income | 0.98 | - | - | - |
| Remeasurement gain/(loss) arising from return on plan assets | - | - | - | - |
| Closing balance | 17.98 | - | - | - |

The weighted average duration of the defined benefit obligation is 17.45 years for the year ended March 31, 2025 and 16.92 years for year ended March 31, 2024.



Bharat Aluminium Company Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts in ₹ Crores, unless otherwise stated)***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, 2025 | | March 31, 2024 | |
|---|----------------|--------|----------------|--------|
| | Gratuity | PRMB | Gratuity | PRMB |
| Discount rate | | | | |
| Increase by 0.50% | (5.22) | (3.03) | (4.82) | (2.76) |
| Decrease by 0.50% | 5.67 | 3.33 | 5.25 | 3.03 |
| Expected rate of change in compensation level of covered employees | | | | |
| Increase by 0.50% | 1.46 | 3.07 | 1.55 | 2.79 |
| Decrease by 0.50% | (1.49) | (3.39) | (1.66) | (3.08) |

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

D Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

(1) Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. Salary increase considered @ 7%/5% (executive and workman) (March 31, 2024 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 7.03% inflation rate (March 31, 2024: 7.10%). 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 ₹ 56.85 Crores as on March 31, 2025 and ₹ 45.82 Crores as on March 31, 2024 has been presented as current, since the Company does not have an unconditional right to defer the settlement of these obligations.



Bharat Aluminium Company Limited
Notes to the financial statements as at and for the year ended March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

41 Commitments, Contingencies and Guarantees
(to the extent not provided for/ recognised at)

(i) Commitments

| Particulars | As at | |
|--|-----------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| (a) Capital and other commitments | | |
| Commitments for Joint Ventures* | 151.08 | 346.68 |
| Capital Commitments | 3,422.15 | 5,639.30 |
| Total | 3,573.23 | 5,985.98 |

* The Company has executed new Power Delivery Agreements ("PDA") with Serentica group companies (Serentica Renewables India 1 Private Limited, Serentica Renewables India 7 Private Limited and Serentica Renewables India 8 Private Limited, which are associates of Volcan Investments, 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 ₹ 195.00 Crores (March 31, 2024: ₹ 73.32 Crores) in Optionally Convertible Redeemable Preference shares ("OCRPS") of ₹ 10 each of Serentica group companies. The Company has considered the investments as fair value through profit and loss.

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. Out of the total investment, ₹ 41 Crores (31 March 2024: ₹ NIL Crores) worth of OCRPS are converted into equity shares of SRIPL as per the terms of the PDA. As at 31 March 2025, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 151.08 Crores (31 March 2024: ₹ 346.68 Crores). The Company has involved external valuations experts for the fair valuation of investments as on the balance sheet date.

(ii) Contingencies*

| Particulars | As at | |
|--|-----------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| (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. | 1,300.77 | 1,213.43 |
| ii. Relating to Suppliers and Contractors - Matter pending in Court / arbitration. | 16.61 | 17.10 |
| iii. Electricity duty surcharge - Matter pending with Chhattisgarh State Electricity Board | 1,159.96 | 1,053.05 |
| iv. Relating to application filed alleging the use of forest land for non-forest purposes (Refer Note no 4) | 156.00 | 156.00 |
| v. Relating to coal block matters | 131.00 | 131.00 |
| vi. Regulatory and other matters | 149.92 | 129.27 |
| (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.) | 0.45 | 1.35 |
| Total | 2,914.71 | 2,701.20 |

* 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) has revised emission norms for coal based power plants in India. Accordingly, both captive and independent coal-based power plants in India are required to comply with these revised norms for reduction of sulphur oxide (SOx) emissions for which the current plant infrastructure is to be modified or new equipment have to be installed. Timelines for compliance to the revised norm for various plants in the Company is December 2028. Different power plants are at different stages of the implementation process.

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. The Company is subject to various claims and exposures which arise in the ordinary course of conducting and financing its business from the income tax and indirect tax authorities like Goods and Service Taxes. These claims and exposures mostly relate to various disallowances in the return filed, the assessable values of sales and purchases or to incomplete documentation supporting the Company's returns or other claims. Based on evaluations of the matters and legal advice obtained, the Company believes that it has strong merits in its favor. Accordingly, no provision is considered at this stage. Except as described above, there are no pending litigations which the Company believes could reasonably be expected to have a material adverse effect on the results of operations, cash flows or the financial position of the Company.

iii) The Company has an export obligations of ₹ 1,539.77 Crores on account of import duty saved on import of capital goods under the Export Promotion of Capital Goods (EPCG) Scheme of ₹ 256.63 Crores. The Company has not defaulted in fulfilment of export obligation on account of the duty saved on import of capital goods.

(iv) Guarantees

i) Bank guarantees given to various agencies, suppliers and government authorities for various purposes amounting to ₹ 433.02 Crores (March 31, 2024: ₹ 594.85 Crores).



Bharat Aluminium Company Limited
Notes to the financial statements as at and for the year ended March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)

42 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). The Chief operating decision Maker (CODM) monitors the operating results at the Group level for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group operates in a single primary segment namely "Aluminium", which constitutes a reportable segment as per IND AS 108.

B Geographical segment analysis

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

| Particulars | March 31, 2025 | March 31, 2024 |
|--|------------------|------------------|
| Revenue based on geographical information for the year ended | | |
| India | 14,835.30 | 11,365.31 |
| Korea | 73.54 | 904.19 |
| Japan | 256.00 | - |
| Turkey | 370.20 | 195.30 |
| Italy | 52.08 | 99.84 |
| China | - | 173.13 |
| Montenegro | 100.61 | - |
| Others | 120.24 | 402.96 |
| Total | 15,807.97 | 13,140.73 |
| Carrying amount of non current assets¹ based on location of assets as at | | |
| India | 17,699.41 | 14,213.73 |
| Outside India | - | - |
| Total | 17,699.41 | 14,213.73 |

1. Excluding financial assets and tax assets.

C Information about major customers

During the year ended 31 March 2025 and March 31, 2024, no customer contributed to more than 10% of Revenue.

D Disaggregation of revenue

| Particulars | For the year ended | |
|--------------------------------|--------------------|------------------|
| | March 31, 2025 | March 31, 2024 |
| Sale of goods: | | |
| -Aluminium Ingot, Alloy Ingots | 8,076.63 | 6,918.83 |
| -Wire rods | 5,519.50 | 4,162.51 |
| -Rolled products | 794.85 | 771.57 |
| -By product | 0.00 | 2.89 |
| Power wheeling | 1,406.48 | 1,215.30 |
| Commodity hedging gain/(loss) | 10.51 | 69.63 |
| Total | 15,807.97 | 13,140.73 |



Bharat Aluminium Company Limited

Notes to the financial statements as at and for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

43 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)

Vedanta Incorporated {Erstwhile Volcan Investments Limited (Volcan)} (Ultimate Holding Company)

(ii) Related parties other than holding companies with whom transactions have taken place during the year

(a) Fellow subsidiaries

Hindustan Zinc Limited (HZL)

Talwandi Sabo Power Limited (TSPL)

Electrosteel Steels Limited (ESL)

Ferro Alloys Corporation Ltd (FACOR)

Meenakshi Energy Limited (MEL)

Vedanta Semiconductors Pvt. Limited (VSPL)

Vizag General Cargo Berth Pvt. Limited (VGCB)

(b) Others

Serentica Renewables India 1 Private Limited - Associate of Ultimate Parent Company

Serentica Renewables India 7 Private Limited - Associate of Ultimate Parent Company

Serentica Renewables India 8 Private Limited - Associate of Ultimate Parent Company

Vedanta Medical Research Foundation (VMRF) - Public Company (registered under section 8 of The Companies Act, 2013) with common director between the Company and VMRF

BALCO Employee Provident Fund Trust- Post employment benefit plan

Runaya Refining LLP- Partners are relative of Director and KMP of Holding Company

STL Digital Limited - Fellow subsidiary of Parent Company

Sterlite Power Transmission Limited (SPTL) - Fellow subsidiary of Parent Company

(iii) Related party having a significant influence

Government of India - President of India (Holding 49% shares in the Company)

(iv) Key management personnel

(a) Non Executive Director

Mr. Tarun Jain

Ms. Nirupama Kotru (Government nominee)

Ms. Farida Mahmood Naik (Government Nominee)

Mr. Mustaq Ahamad (Government Nominee) (from 29th July 2024)

Mr. Maneesh Kumar (Government Nominee) (from 30th July 2024)

Mr. Vivek Kumar Sharma (Government Nominee) (till 23rd July 2024)

Mr. Sanjeev Verma (Government nominee) (till 29th July 2024)

(b) Independent Directors

Mr. Sushil Kumar Roongta (Re-appointed w.e.f. 14th July 2024)

Mr. Din Dayal Jalan

Mr. Anoop Kumar Mittal

(c) CEO and Whole-time Director

Mr. Rajesh Kumar

(d) Chief financial officer

Mr. Amit Gupta

(e) Company Secretary

Mrs. Wageesha Agarwal



Bharat Aluminium Company Limited
Notes to the financial statements as at and for the year ended March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)
B Transactions with related parties

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Revenue from operations | | |
| Vedanta Limited (including high sea sales) | 1,083.15 | 752.01 |
| HZL | 62.71 | 44.81 |
| SPTL | 82.10 | 186.38 |
| Total | 1,227.96 | 983.20 |
| Rent income | | |
| Vedanta Limited | 9.19 | 9.19 |
| Total | 9.19 | 9.19 |
| Particulars | For the year ended | |
| | March 31, 2025 | March 31, 2024 |
| Purchase of goods/services | | |
| Vedanta Limited (including high sea purchases) | 2,173.35 | 1,087.54 |
| STL Digital Limited | 11.17 | 8.09 |
| Runaya Refining LLP | 31.00 | 28.17 |
| Serentica Renewables India 1 Private Limited | 58.68 | - |
| Total | 2,274.20 | 1,123.80 |
| Corporate Social Responsibility Expenditure | | |
| VMRF (Refer note 37(2)) | - | 1.50 |
| Total | - | 1.50 |
| Recovery/(reimbursement) of Expenses[#] | | |
| Vedanta Limited | (38.65) | (33.72) |
| HZL | 0.00 | (0.09) |
| TSPL | (0.11) | (0.18) |
| ESL | (0.00) | 0.16 |
| VGCB | - | 0.04 |
| FACOR | 0.00 | (0.28) |
| VMRF | (0.91) | (0.27) |
| MEL | 0.24 | - |
| VSPL | 0.25 | - |
| SPTL | 0.09 | - |
| Runaya Refining LLP | 0.42 | 0.87 |
| Total | (38.67) | (33.47) |
| Purchase/(Sale) of Property, Plant and Equipments | | |
| Vedanta Limited | 37.54 | - |
| HZL | - | 0.02 |
| STL Digital Limited | - | 0.23 |
| VMRF | - | 0.02 |
| FACOR | - | (0.01) |
| Total | 37.54 | 0.26 |
| Investments made | | |
| Serentica Renewables India 1 Private Limited | 115.00 | - |
| Serentica Renewables India 7 Private Limited | 50.00 | 40.32 |
| Serentica Renewables India 8 Private Limited | 30.00 | 33.00 |
| Total | 195.00 | 73.32 |
| Remuneration to KMPs (Refer Note 34) | | |
| Short term employee benefits* | 7.21 | 4.51 |
| Total | 7.21 | 4.51 |
| Commission/sitting fees to directors | 0.73 | 0.72 |
| Contribution to post retirement employee benefit trust | 21.20 | 17.19 |

[#] 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.


Bharat Aluminium Company Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts in ₹ Crores, unless otherwise stated)*

The receivables from and payables to related parties as at March 31, 2025 and March 31, 2024 are set out below:

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Receivable from: | | |
| Vedanta Limited | 14.22 | 6.25 |
| HZL | 3.37 | 2.33 |
| ESL | 0.01 | 0.05 |
| SPTL | 0.51 | - |
| FACOR | - | 0.14 |
| Total | 18.11 | 8.77 |
| Payable to: | | |
| Vedanta Limited | 4.29 | 0.90 |
| Runaya Refining LLP | 2.80 | 2.22 |
| SPTL | - | 1.91 |
| Serentica Renewables India 1 Private Limited | 12.69 | - |
| Balco Employees Provident Fund Trust | 6.57 | 5.60 |
| VMRF | 0.28 | 0.02 |
| STL Digital Limited | 0.50 | 0.24 |
| Total | 27.13 | 10.89 |
| Investments as on | | |
| Serentica Renewables India 1 Private Limited* | 190.00 | 75.00 |
| Serentica Renewables India 7 Private Limited* | 90.32 | 40.32 |
| Serentica Renewables India 8 Private Limited* | 63.00 | 33.00 |
| Total | 343.32 | 148.32 |

*The Company has executed new Power Delivery Agreements ("PDA") with Serentica group companies (Serentica Renewables India 1 Private Limited, Serentica Renewables India 7 Private Limited and Serentica Renewables India 8 Private Limited), which are associates of Volcan Investments, 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 ₹ 195 Crores (March 31, 2024: ₹ 73.32 Crores) in Optionally Convertible Redeemable Preference shares ("OCRPS") of ₹ 10 each of Serentica group companies. The Company has considered the investments as fair value through profit and loss.

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. Out of the total investment, ₹ 41 Crores (31 March 2024: ₹ NIL Crores) worth of OCRPS are converted into equity shares of SRI1PL as per the terms of the PDA. As at 31 March 2025, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 151.08 Crores (31 March 2024: ₹ 346.68 Crores). The Company has involved external valuations experts for the fair valuation of investments as on the balance sheet date.

C Terms and Conditions of transactions with related parties

Sales made to / purchases made from and other transactions with related parties are on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Company mutually negotiates and agrees prices, discount and payment terms with the related parties by benchmarking the same to transactions with non-related parties. Such sales / purchases generally include payment terms of 0 to 30 days from the date of invoice. Trade receivables and Trade payables outstanding balances are unsecured, interest free and require settlement in cash. No guarantee or other security has been received / given against these receivables / payables.

D 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.



44 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, 2025 | | | | |
|--|-----------------------------------|---|-----------------|----------------------|------------------|
| | 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 | - | - | 194.48 | 194.48 | 194.48 |
| Investments | 1,342.66 | 41.00 | - | 1,383.66 | 1,383.66 |
| Loans | - | - | 0.68 | 0.68 | 0.68 |
| Trade receivables | - | - | 248.95 | 248.95 | 248.95 |
| Derivatives | 1.59 | 90.61 | - | 92.20 | 92.20 |
| Other financial assets | - | - | 137.53 | 137.53 | 137.53 |
| Total | 1,344.25 | 131.61 | 581.64 | 2,057.50 | 2,057.50 |
| Financial liabilities | | | | | |
| Borrowings | - | - | 3,450.93 | 3,450.93 | 3,462.31 |
| Operational buyers' credit/suppliers' credit | - | - | 684.35 | 684.35 | 684.35 |
| Trade payables | - | - | 686.83 | 686.83 | 686.83 |
| Derivatives | 5.50 | 9.63 | - | 15.13 | 15.13 |
| Other financial liabilities | - | - | 960.20 | 960.20 | 960.20 |
| Total | 5.50 | 9.63 | 5,782.31 | 5,797.44 | 5,808.82 |

| Particulars | March 31, 2024 | | | | |
|--|-----------------------------------|---|-----------------|-----------------|------------------|
| | Fair value through profit or loss | Fair value through other comprehensive income/Derivatives designated as hedging instruments | Amortised Cost | Carrying Value | Total Fair Value |
| Financial assets | | | | | |
| Cash and cash equivalents | - | - | 281.75 | 281.75 | 281.75 |
| Investments | 148.32 | - | - | 148.32 | 148.32 |
| Loans | - | - | 0.72 | 0.72 | 0.72 |
| Trade receivables | 2.10 | - | 438.99 | 441.09 | 441.09 |
| Derivatives | - | 8.18 | - | 8.18 | 8.18 |
| Other financial assets | - | - | 152.41 | 152.41 | 152.41 |
| Total | 150.42 | 8.18 | 873.87 | 1,032.47 | 1,032.47 |
| Financial liabilities | | | | | |
| Borrowings | - | - | 2,050.25 | 2,050.25 | 2,055.32 |
| Operational buyers' credit/suppliers' credit | - | - | 1,038.42 | 1,038.42 | 1,038.42 |
| Trade payables | - | - | 868.69 | 868.69 | 868.69 |
| Derivatives | 28.31 | 30.67 | - | 58.98 | 58.98 |
| Other financial liabilities | - | - | 689.71 | 689.71 | 689.71 |
| Total | 28.31 | 30.67 | 4,647.07 | 4,706.05 | 4,711.12 |



The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| Financial Instruments | As at March 31, 2025 | | |
|---|----------------------|--------------|---------------|
| | Level 1 | Level 2 | Level 3 |
| Financial assets | | | |
| Investments at fair value through profit and loss | 1,040.34 | - | 302.32 |
| Investments at fair value through OCI | - | - | 41.00 |
| Derivative financial assets at fair value through other comprehensive income | - | 90.61 | - |
| Derivative financial assets at fair value through profit and loss | - | 1.59 | - |
| Total | 1,040.34 | 92.20 | 343.32 |
| Financial liabilities | | | |
| Derivative financial liabilities at fair value through profit and loss | - | 5.50 | - |
| Derivative financial liabilities at fair value through other comprehensive income | - | 9.63 | - |
| Total | - | 15.13 | - |

| Financial instruments | As at March 31, 2024 | | |
|--|----------------------|--------------|---------------|
| | Level 1 | Level 2 | Level 3 |
| Financial assets | | | |
| Investments at fair value through profit and loss | - | - | 148.32 |
| Derivative financial assets at fair value through other comprehensive income | - | 8.18 | - |
| Trade receivables at fair value through profit and loss | - | 2.10 | - |
| Total | - | 10.28 | 148.32 |
| Financial liabilities | | | |
| Derivative financial liabilities and MTM payable at fair value through profit and loss | - | 28.31 | - |
| Derivative financial liabilities at fair value through other comprehensive income | - | 30.67 | - |
| Total | - | 58.98 | - |

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2025 and March 31, 2024:

| Financial instruments | Level 1 | Level 2 | Level 3 |
|--|----------|-----------------|----------|
| As at March 31, 2025 | | | |
| Non-current and current borrowings | - | 2,547.47 | - |
| Current maturities of long term borrowings | - | 876.24 | - |
| Total | - | 3,423.71 | - |
| As at March 31, 2024 | | | |
| Non-current and current borrowings | - | 1,784.79 | - |
| Current maturities of long term borrowings | - | 265.46 | - |
| Total | - | 2,050.25 | - |

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 year or previous year.



Bharat Aluminium Company Limited

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(All amounts in ₹ Crores, unless otherwise stated)

III Risk Management Framework (Also refer note no. 47)

The Company's businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The Audit Committee is aided by the CFO Committee and the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the CFO Committee and the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

IV Treasury Management (Also refer note no. 47)

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)

The Company is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Company produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Company aims to sell the products at prevailing market prices. The commodity price risk in import Alumina is hedged on back-to-back basis ensuring no price risk for the business. The Company aims to achieve the monthly average of the commodity prices for sales realization. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and as per strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level and with clearly laid down guidelines for their implementation by the Company.

Whilst the Company aims to achieve average LME prices for a month or a year, average realised prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realised on commodity contracts
- purchases and sales of physical contracts
- cash flow hedging of revenues, 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, 2025 and March 31, 2024.

VI Financial Risk (Also refer note no. 47)

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.



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Notes to the financial statements as at and for the year ended March 31, 2025
(All amounts in ₹ Crores, unless otherwise stated)
(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 CRISIL RATINGS Limited, (A Subsidiary of CRISIL Limited) for its banking facilities in line with Basel II norms. During the year, CRISIL rated the Company's long-term bank facilities a rating of AA/ Stable (pronounced as CRISIL double AA 'Stable').

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, 2025 | | | | | |
| Borrowings | 903.46 | 1,899.64 | 647.83 | - | 3,450.93 |
| Trade payables, operational buyers' credit and other financial liabilities | 2,016.12 | 298.07 | - | - | 2,314.19 |
| Derivative financial liabilities | 15.13 | - | - | - | 15.13 |
| Contractual interest obligation | 18.26 | - | - | - | 18.26 |
| Total | 2,952.97 | 2,197.71 | 647.83 | - | 5,798.51 |
| As at March 31, 2024 | | | | | |
| Borrowings | 265.46 | 963.79 | 821.00 | - | 2,050.25 |
| Trade payables, operational buyers' credit and other financial liabilities | 2,420.56 | 162.29 | - | - | 2,582.85 |
| Derivative financial liabilities | 58.98 | - | - | - | 58.98 |
| Contractual interest obligation | 13.97 | - | - | - | 13.97 |
| Total | 2,758.97 | 1,126.08 | 821.00 | - | 4,706.05 |

The Company had access to following funding facilities:

| Funding facility | Total Facility | Drawn | Undrawn |
|-----------------------------|-----------------|-----------------|-----------------|
| As at March 31, 2025 | | | |
| Fund based limit | 4,248.65 | 3,462.31 | 786.34 |
| Non fund based limit | 3,114.14 | 1,747.84 | 1,366.30 |
| Total | 7,362.79 | 5,210.15 | 2,152.64 |
| As at March 31, 2024 | | | |
| Fund based limit | 4,175.16 | 2,055.32 | 2,119.84 |
| Non fund based limit | 3,295.96 | 2,225.87 | 1,070.09 |
| Total | 7,471.12 | 4,281.19 | 3,189.93 |

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 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 | |
|--------------|----------------------|----------------------|-----------------------|----------------------|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| INR | 1,929.48 | 885.78 | 4,424.08 | 3,204.77 |
| USD | 127.45 | 146.69 | 1,308.25 | 1,348.70 |
| Others | 0.57 | - | 65.11 | 152.58 |
| Total | 2,057.50 | 1,032.47 | 5,797.44 | 4,706.05 |

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.



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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 ₹ 163.81 Crores (March 31, 2024: ₹ 135.46 Crores).

(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, 2025 | - | 138.52 | 1,918.98 | 2,057.50 | 6% | 95% |
| As at March 31, 2024 | - | 43.43 | 989.04 | 1,032.47 | 6% | 95% |
| Financial liabilities | | | | | | |
| As at March 31, 2025 | 3,450.93 | 684.35 | 1,662.16 | 5,797.44 | 7% | 9% |
| As at March 31, 2024 | 2,050.24 | 1,038.41 | 1,617.40 | 4,706.05 | 7% | 9% |

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, 2025 | As at March 31, 2024 |
|-----------------------------------|-----------------------------|-----------------------------|
| 0.50% | 17.25 | 10.25 |
| 1.00% | 34.51 | 20.50 |
| 2.00% | 69.02 | 41.00 |

(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/ allowances of impairment on financial assets. 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 ₹ 2,057.49 Crores and ₹ 1032.47 Crores as at March 31, 2025 and March 31, 2024 respectively.

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-------------------------------|----------------------|----------------------|
| Neither impaired nor past due | 216.27 | 51.87 |
| Past due | | |
| -Less than 1 month | 1.95 | 198.67 |
| -Between 1-3 months | - | 107.24 |
| -Between 3-12 months | 7.38 | 60.43 |
| -Greater than 12 months | 161.56 | 176.01 |
| Total | 387.16 | 594.22 |



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Notes to the financial statements as at and for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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 ₹ 185.78 (₹ 174.37 as at March 31, 2024) Crores, 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.

Movement in allowances for Financial Assets (Trade receivables and financial assets - others)

| Particulars | Trade receivables | Financial assets - others |
|--------------------------------|-------------------|---------------------------|
| As at 01 April 2023 | 34.10 | - |
| Allowance made during the year | 58.53 | 1.91 |
| Exchange differences | | |
| less: Written off | (34.10) | - |
| As at 31 March 2024 | 58.53 | 1.91 |
| Allowance made during the year | 4.68 | (0.89) |
| Exchange differences | - | - |
| less: Written off | - | - |
| As at 31 March 2025 | 63.21 | 1.02 |

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, 2025 and March 31, 2024.

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, 2026 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 recognized in the statement of profit or loss. The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in the statement of profit or loss.



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(iii) Non Qualifying Hedges

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include aluminium future contracts on the LME and certain other derivative instruments, including contracts on capital commitments. 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, 2025 | | As at March 31, 2024 | |
|--|----------------------|--------------|----------------------|--------------|
| | Assets | Liabilities | Assets | Liabilities |
| Current | | | | |
| Cash flow hedge^(a) | | | | |
| - Commodity contracts | 80.78 | 0.04 | - | 21.92 |
| - Forward foreign currency contracts | - | - | - | - |
| Fair Value hedge^(b) | | | | |
| - Commodity contracts | 9.83 | 9.59 | 8.18 | 8.76 |
| - Forward foreign currency contracts | - | - | - | - |
| Non - qualifying hedges^(b) | | | | |
| - Commodity contracts | - | 0.02 | - | 1.81 |
| - Forward foreign currency contracts | 1.59 | 5.48 | - | 26.50 |
| Total Current | 92.20 | 15.13 | 8.18 | 58.99 |

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.

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, 2025 | As at March 31, 2024 |
|----------------------------|----------------------|----------------------|
| Forex forward cover (buy) | 1,567.81 | 2,659.27 |
| Forex forward cover (sell) | - | - |

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

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|--------------------|----------------------|-----------|----------------------|-----------|
| | Purchase | Sale | Purchase | Sale |
| Forwards / Futures | | | | |
| Aluminium (MT) | 35,025.00 | 44,900.00 | 30,150.00 | 15,000.00 |

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, 2025 | As at March 31, 2024 |
|-------------|----------------------|----------------------|
| Payables | 1,373.36 | 1,501.28 |
| Receivables | 128.02 | 146.69 |

(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, 2025 | | As at March 31, 2024 | |
|-------------------|----------------------|--------|----------------------|--------|
| | MT | Amount | MT | Amount |
| Sale of Aluminium | 2,875 | 61.88 | 2,250.00 | 42.57 |



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. For mining asset, the depreciation is charged based on unit of production method. For 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. 22, 28 and 41 (ii) and 41 (iii))

iv) Provisions for site restoration

In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at March 31, 2025 is ₹ 11.64 Crores (March 31, 2024 : ₹ 11.50 Crores). 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 Crores lower (Refer note no. 21).

v) Defined benefit plan

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates (Refer note no. 40).

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. 39.

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.



Bharat Aluminium Company Limited**Notes to the financial statements as at and for the year ended March 31, 2025**

(All amounts in ₹ Crores, unless otherwise stated)

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. 7).

ix) Climate Change

The Company as part of Group plan aims to achieve net carbon neutrality by 2050, has committed reduction in emission intensity by 30% by 2030 from 2021 baseline, as part of its climate risk assessment and 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 Effluent treatment plants, 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 decarbonization 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.

x) Expected Credit Loss

The Company has identified aged and disputed receivables and has discounted these recognising an ECL expense in the Income Statement. A discounting rate of 8.5% is used considering a Weighted Average Cost of Capital over a period of 5 years.

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, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Share capital | 220.62 | 220.62 |
| Free reserves | 11,867.56 | 8,905.17 |
| Equity (A) | 12,088.18 | 9,125.79 |
| Cash and cash equivalents | 194.48 | 281.75 |
| Short term investments | 1,040.34 | - |
| Total cash (B) | 1,234.82 | 281.75 |
| Short-term borrowings | 27.22 | - |
| Long-term borrowings | 2,547.47 | 1,784.79 |
| Current Maturity of long term borrowings | 876.24 | 265.46 |
| Total debt (C) | 3,450.93 | 2,050.25 |
| Net debt D=(C-B) | 2,216.11 | 1,768.50 |
| Total capital (equity + net debt) | 14,304.29 | 10,894.29 |
| Net debt to equity ratio (E=D/A) | 0.18 | 0.19 |



Bharat Aluminium Company Limited
Notes to the financial statements as at and for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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.
- Crisil rating of A1+ for Company's non-fund based banking facilities gives confidence to raise the short-term funds, whenever required.
- Crisil assigned fund based banking facilities a rating of AA/ Stable which can also be helpful to raise long term funds, if necessary
- Operational buyers'/suppliers' credit outstanding as on March 31, 2025 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, 2025 and March 31, 2024

| Particulars | Numerator | Denominator | March 31, 2025 | March 31, 2024 | Variance | Reasons |
|-------------------------------------|--|---|----------------|----------------|----------|--|
| a) Current ratio | Current Assets | Current Liabilities | 0.74 | 0.56 | 32% | Current Ratio has increased due to proportionate elevation in current assets |
| b) Debt-Equity ratio | Total Debt incl. lease liabilities | Shareholder's Equity | 0.28 | 0.22 | 26% | Debt Equity ratio has increased due to borrowings taken during the year |
| c) Debt service coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 2.88 | 5.27 | -45% | Debt service coverage ratio has decreased due to increase in interest expense and principal repayments. |
| d) Return on equity ratio (%) | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 27.91% | 16.42% | 70% | Return on equity ratio has improved due to increase in net profit during the year. |
| e) Inventory turnover ratio | Revenue from operations | Average Inventory | 11.62 | 9.02 | 29% | Increase in inventory turnover ratio due to increase in profit during the year. |
| f) Trade receivables turnover ratio | Revenue from operations | Average Trade Receivable | 45.82 | 29.83 | 54% | Trade receivable turnover ratio increased due to increase in Revenue during the year. |
| g) Trade payables turnover ratio | Purchases | Average Trade Payables | 8.79 | 4.36 | 102% | Trade Payables Turnover ratio has increased due to increase in purchases for the year. |
| h) Net capital turnover ratio | Revenue from operations | Working capital = Current assets - Current liabilities | * | * | * | - |
| i) Net profit ratio (%) | Profit after Tax | Revenue from operations | 18.78% | 10.54% | 78% | Net Profit Ratio has increased due to significant increase 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 | 24.78% | 17.04% | 45% | Return on capital employed ratio has increased due to significant increase in earnings before tax during the year. |
| k) Return on investment (%) | Income from Investments measured at FVPTL | Average investment | 4.40% | 4.57% | -4% | |

*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.



Bharat Aluminium Company Limited

Notes to the financial statements as at and for the year ended March 31, 2025

(All amounts in ₹ Crores, 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 an 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).
- 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.

51 Audit Trail

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was enabled in the SAP application for direct changes to data in certain database tables for part of the year i.e. from 3rd March, 2025. Further no instance of audit trail feature being tampered with was noted in respect of the software. Additionally, the Company has preserved audit trail in full compliance with the requirements of section 128(5) of the Companies Act, 2013, in respect of the financial year ended March 31, 2025 to the extent it was enabled and recorded during the year ended March 31, 2025.

52 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 Pramod Kumar Bapna
Partner

Membership No. 105497



S K Roongta
Director
DIN: 00309302
Place: New Delhi,

Amit Gupta
Chief Financial Officer

Place: New Delhi
Date: April 22, 2025

Place: New Delhi
Date: April 22, 2025

Rajesh Kumar
CEO & Whole-time Director
DIN: 09586370
Place: New Delhi

Wageesha
Wageesha Agarwal
Company Secretary

