ADITYA BIRLA
GRASIM

ANNUAL REPORT
2016-17
GRASIM INDUSTRIES LIMITED



BIG ON MILESTONES

TRIBUTE TO A VISIONARY AND A PASSIONATE ENTREPRENEUR



Mr. Aditya Vikram Birla

(14.11.1943 - 01.10.1995)

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

THE CHAIRMAN'S LETTER TO THE SHAREHOLDERS

Growth in the emerging markets is pegged at 4.5%, driven largely by China, India and the ASEAN region.



Dear Shareholders,

Global Economy

The global economy continued to be subdued in 2016. The slowdown in the advanced economies of the West adversely impacted growth levels, resulting in the slowing of the world economic growth to 3.1% from 3.4% in the earlier year. The growth in emerging markets and developing economies was encouraging. However, China and India experienced a deceleration. Financial markets reflected a broad uptrend, notwithstanding Brexit and the rate hikes by the US Fed.

Recent data reveals that the global economy is gaining momentum. PMIs (Purchasing Managers' Indexes), accelerating trade flows and better business and consumer confidence are the key pointers. The IMF has projected global growth to notch up to 3.5% in 2017 from 3.1% last year. Growth in the advanced economies is estimated at 2%, with US growth at 2.3%, the Euro area at 1.7% and Japan at 1.2%. Growth in the emerging markets is pegged at 4.5%, driven largely by China, India and the ASEAN region. Latin America is expected to grow only 1.1%, affected by the weak trend in Brazil.

Indian Economy

India is on a roll. There is a buzz about India, as it blazes forth as the fastest growing economy in the world at 7.1%. The trade deficit in 2016-17 was USD 106 billion, lower by 11% over the previous year. The current account deficit has been significantly pared. India's foreign exchange reserves as at March end 2017 were USD 370 billion. Investors are bullish. Foreign investment flows, which were at over USD 60 billion in FY-17 are scaling new records. Markets are buoyant. Stock index is at a historic peak. India's global ranking has jumped up in competitiveness and on the innovation index.

The various initiatives and reforms of the Modi Government have built the platform for a quantum leap ahead. High impact national projects, coming to grips with structural issues, which were holding back the country's progress, innovative approaches in policy making – have collectively contributed in driving India on a high growth trajectory. Going forward the abiding sense is one of immense optimism and confidence in the future with the nation slated to grow at 7.5% to 8%. India's narrative is unmatchable.

That said, if there is one subject that needs greater attention on the government's radar for the ensuing years, it is the revival of investment activity and creation of quality jobs in large measure. The Government is seized of these issues. The Government has taken many steps, including a sharp focus on improving ease of doing business, speeding of green clearances and stepping up public sector outlays for infrastructure. I believe, it is a matter of time before the private sector investments pick up – as NPAs are resolved and corporate balance sheets are deleveraged.

Your Company's Performance

I am pleased to share with you that this is a milestone year in the history of your Company. Established in 1947, for 70 years now, your Company has been engaged in the task of servicing the needs of the people of our nation, through a multitude of products, coupled with projects that take the country's economy ahead. Your Company's commitment as a nation builder continues relentlessly.

Your Company recorded a consolidated revenue of USD 6.14 Billion (₹ 41,195 Crore) in the financial year 2016-17. EBITDA at USD 1.24 Billion (₹ 8,333 Crore) was higher by 18% compared to last year. All three main businesses of your Company namely, Pulp & Fibre, Chemicals and Cement have performed well, seen in the backdrop of economic slowdown witnessed in the second half of the year.

Strategic moves

The big-bold strategic initiative by your Company during the year and that of its cement subsidiary, UltraTech Cement Ltd. (UltraTech) have catapulted your Company in a different league in terms of scale, size and scope of operations.

The merger of Aditya Birla Nuvo Limited (ABNL) with your Company, and the subsequent de-merger and listing of financial service business as approved by you is a major milestone. This merger has created a mega entity in manufacturing and service businesses commanding leadership position across the textiles, cement, chemical, financial services and telecom sectors. Merger of ABNL with your Company brings in fast growing sectors such as financial and telecom services in your Company's fold. Very strong balance sheet of your Company will enable faster growth of the financial services business. Listing of financial service businesses envisaged by Q2 of current financial year will unlock value for the combined set of shareholders post ABNL merger with your Company.

UltraTech has also marked a major milestone during the year. Under duly approved scheme of arrangement between Jaiprakash Associate Ltd. (JAL) and Jaiprakash Cement Corporation Ltd. (JCCL), a wholly owned subsidiary of JAL, UltraTech has completed the acquisition of the cement plants of JAL and JCCL, located in Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Uttarakhand and Andhra Pradesh with a total capacity of 21.20 MTPA at an enterprise value of ₹ 16,189 Crore.



India's global ranking has jumped up in competitiveness and on the innovation index.

This move of UltraTech will lead to geographic market expansion, especially in the central India, for UltraTech. With this acquisition and completion of expansion plans under implementation, the total capacity of UltraTech will stand augmented to 95.3 MTPA including its overseas operations. It is with great pride I record that UltraTech is the fourth largest cement player globally (excluding the Chinese players) and the largest player in India by an even larger margin.

Business Performance

Pulp & Fibre Business: Viscose Staple Fibre (VSF) Business has continued its focus on expanding the usage and applications of VSF in the domestic market through Liva initiative. The "Liva" brand for Company's VSF based products, launched in 2014-15 has been well established in the textile value chain and is creating a huge pull for viscose fibre in the market. The reach of Liva has expanded manifolds, starting with 16 brands & 2.1 million Liva tagged garments in Autumn-Winter to 15 to 34 brands & 12.8 million Liva tagged garments in Spring-Summer 17. This has led to double digit growth in VSF demand in India, VSF business has recently launched brand Liva Crème, a premium variant of Liva to move up the value ladder. On overall basis, the business has recorded a volume growth of 6% during the year and EBIDTA growth of 56% from ₹ 923 Crore in FY 2015-16 to ₹ 1,439 Crore in the FY 2016-17, on the back of better realizations in line with global prices, improved operating efficiencies and higher specialty share in the product mix. The business team is actively working on cost effective debottlenecking of VSF capacity which is expected to provide additional volume of approx. 60,000 Ton per annum going forward.

Pulp & Fibre JVs: The overseas Pulp & Fibre Joint Ventures of your Company have recorded all round improvement performance during the year. Especially, the performance of Birla Jingwei Fibre Co. Ltd., China has been outstanding. Share of your Company in the profit of Birla Jingwei Fibre Co. Ltd. has grown significantly from ₹ 1.2 Crore last year to ₹ 35.6 Crore this year. On overall basis, the Company's share in Profit after Tax of the operating Pulp & Fibre JV's has increased from ₹ 45 Crore in last year to ₹ 135 Crore during the year.

Chemical Business: Chlor Alkali sector witnessed subdued demand growth during the year as the Caustic Soda as well as Chlorine consuming industries were impacted by high value currency note replacement programme of the Government. The business has recorded a volume growth of 2% during the year. Epoxy Resins, a product of your Company is now well accepted by the user industries and it has recorded a volume growth of 24%. Similarly, chlorine value added products have also recorded a volume growth of 15%. Focus on cost reduction initiatives coupled with volume growth and high realization have resulted into 13% increase in EBITDA from ₹ 747 Crore (on like to like basis) last year to ₹ 842 Crore during the year. The capacity expansion plans at different plants are progressing well and by end of the current financial year, capacity of Caustic Soda will cross 1 MTPA, the largest in India and among top 3 in Asia. The business team is continuing its focus on expanding the markets for Chlorine value added products.

Cement Business (UltraTech): In the first half of the year, the cement industry saw moderate growth. Subsequently, sluggish demand from the housing segment coupled with the absence of private sector capital expenditure, impacted cement demand.

> UltraTech has completed the acquisition of the cement plants of JAL and JCCL, located in Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Uttarakhand and Andhra Pradesh with a total capacity of 21.20 MTPA at an enterprise value of ₹ 16,189 Crore

Against this backdrop, during FY 2016-17 UltraTech recorded net revenues of US$ 3.78 Billion (₹ 25,375 Crore) and EBITDA of US$ 0.873 Billion (₹ 5,861 Crore) a rise of 9%.

A big thank you to all of our employees: Organisational agility, excellence in execution, customer centricity and cost optimization are a given. I believe to drive business growth in a sustainable manner, the criticality of our people – our intellectual capital, is beyond expression. We deeply value our employees' engagement and their commitment to our culture of innovation and performance accountability.

Outlook

As I look ahead, I feel optimistic. India as we are all witnessing is moving on to a higher growth track. The Company, with leadership positions across its businesses and the merger of ABNL, is poised to enter into a new era of growth with a combination of high growth sectors and businesses with healthy cash flows supported by a strong Balance Sheet.

Aditya Birla Group: In perspective

At the Group level our performance both in terms of revenue and earnings has been growing. In fact our EBIDTA has been the highest ever. In line with our people focus, we have strengthened the capacity of our leadership bench as well as employees across levels. Our Group's HR agenda is even sharper and defining of our future. Our HR function has collectively developed and clearly articulated the HR 2020 strategy across the organization. It has clear actionables and review mechanisms, focused on talent, technology, productivity and employer brand.

On the people front it has truly been an exciting year of development, building on the strong foundations of the earlier years.

As I had shared with you earlier, we have 3 accelerated leadership programs:

First, the Turning Point, which prepares high potential leaders for P&L roles.

Second, Step Up which infuses a ready pipeline for Functional Head roles, and

Third, Springboard designed especially for high calibre women leaders.

These have enabled us to set up the requisite bench strength of leaders.

We have prepared 123 leaders for higher responsibilities, over the last one year. Of this 26 have already taken on new roles. The Business leadership and I have personally reviewed talent across the business, and am happy to see the evolution of our structured succession plans.

The hiring freeze came into effect in January 2016. This, coupled with our leadership development actions, has resulted in extremely encouraging people moves. Over the last year, we witnessed 5,500+ career movements across the Group. Of these, 600+ were inter-business movements, 150% higher than the previous year.

The Aditya Birla Group Leadership Program (ABGLP) is another strong source of building leaders. It has gained greater traction this year with 67% higher intake. From the earlier batches, 95 participants, have over the last 2 years, been given cross business and function exposures grooming them for a holistic perspective. I am happy to share that we continue to be an employer of choice amongst the top B schools in India. Our Group features among the formidable Top-5 in the A C Nielsen – CRI Campus Recruitment India Index 2016 as well.

Additionally to accelerate opportunities for our talent we have set up Talent Councils led by Business Heads and Directors at the business and Group levels. Up until now more than a 100 Talent Councils meetings have happened across the Group where the development plans of approximately 3,000 colleagues have been discussed and actions taken.

Project Vega is yet another initiative launched this year. Its basic objective is to review the agility of decision making in the organization, keeping in view end-customer impact. This has yielded significant changes to internal processes, delegation of authority and speed of decision making, in turn empowering teams and freeing up leadership bandwidth. This, along with our focus on technology enabled processes, I believe, will keep us sharp and nimble.

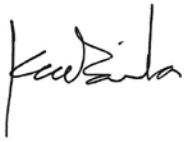
Furthermore, to hone and enhance our functional expertise, Gyanodaya, the Aditya Birla Global Centre for Leadership & Learning, launched Functional Academies last year. The Sales, Marketing & Customer Centricity Academy and HR Academy enabled 1150 leaders build deeper expertise in their domain areas. Gyanodaya continues to deliver superior learning programs with over 1583 managers enrolled last year.

Additionally, the Gyanodaya Virtual Campus hosts more than 500 e-learning modules in multiple languages. During the year, over 31664 employees accessed these e-learning programs. I am happy to update you that we are doubling our capacity in Gyanodaya, through upcoming expansion plans.

In sum,

Our Group's solid reputation, robust financials, the quality and commitment of our talent, our leadership positions in our businesses, our operational excellence and our CSR engagement, are our strengths that I believe, will see us ride the wave of success.

Regards,

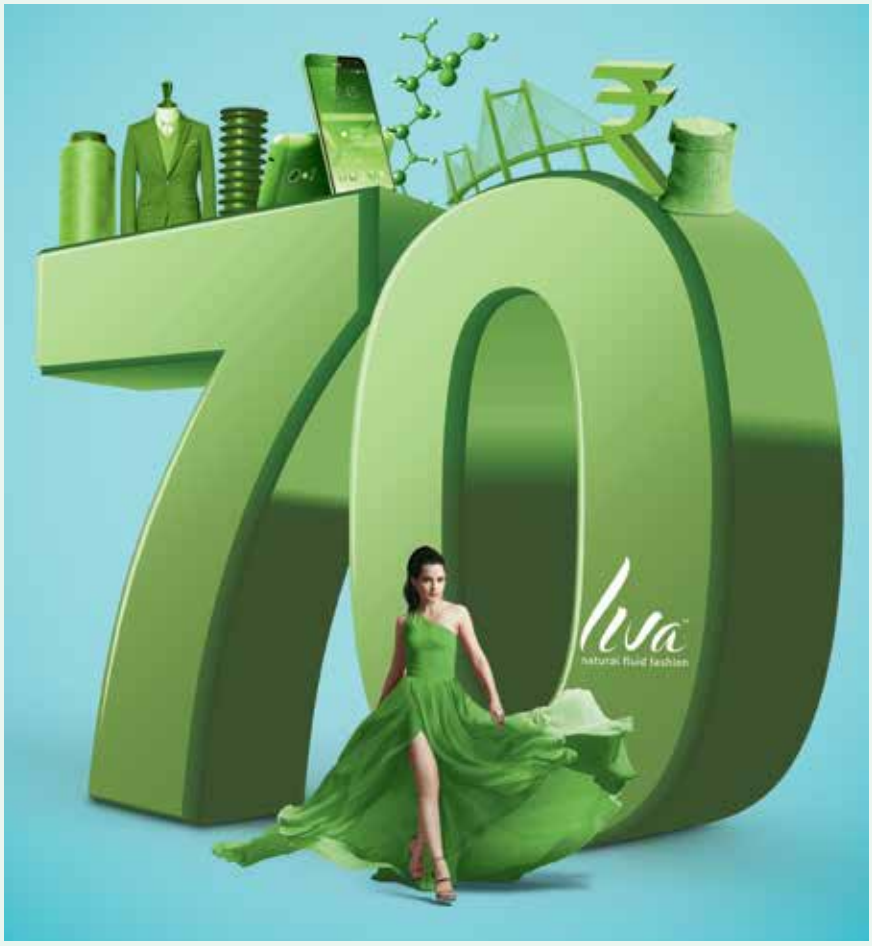


Kumar Mangalam Birla
Chairman

"THE ACHIEVEMENT WE CELEBRATE TODAY IS BUT A STEP, AN OPENING OF OPPORTUNITY, TO THE GREATER TRIUMPHS AND ACHIEVEMENTS THAT AWAIT US. THE FUTURE BECKONS US"

1947 - THE JOURNEY BEGAN FOR THE NATION AND FOR GRASIM.

In seventy years, as India transformed from an underdeveloped economy to the fastest growing major economy in the world, determined to emerge as a global superpower, GRASIM matched the relentless march step by step. It started with textile business and later entered into chemical and cement businesses with a single-minded focus to make a small yet significant contribution towards nation-building.



REMARKABLE ACHIEVEMENTS

1947 1956



- Grasim Industries incorporated
- Production of fabric begins at Gwalior
- VSF production commences at Nagda (Madhya Pradesh)

1957 1966



- Composite Textile Mill set up at Bhiwani (Haryana)

1967 1976



- VSF and pulp plants at Harihar (Karnataka) commissioned based on in-house engineering
- Caustic soda production commences at Nagda (Madhya Pradesh) for captive use

1977 1986



- Vikram Cement, Grasim's first cement plant goes on stream at Jawad (Madhya Pradesh)

1987 1996



- VSF Plant commissioned at Kharach (Gujarat)

1997 2006



- Grasim acquires controlling stake in UltraTech Cement Ltd. from Larsen & Toubro Ltd.
- First Overseas acquisition by the Grasim – AV Cell Pulp Mill at Canada in a Joint Venture with Group Companies and Tembec Inc.
- Promoted Idea Cellular jointly with Birla – Tata-AT & T Limited

2007 2017



- Acquired AV Nackawic Pulp Mill, Canada, in a joint venture with other Group Companies and Tembec Inc.
- Forms a joint venture company Birla Jingwei Fibres Company Limited and acquired VSF plant in China
- Acquired stake in Domsjö Fabriker AB, Sweden
- Acquired AV Terrace Bay Inc. in Canada in a joint venture with other Group Companies
- Grasim's state-of-the-art VSF plant was commissioned at Vilayat (Gujarat)



- Merger of Aditya Birla Chemicals (India) Limited into Grasim increasing Caustic Soda capacity from 452K TPA to 804K TPA
- Grasim hived off its cement business to Ultra Tech Cement Limited
- Merger of Aditya Birla Nuvo Limited into Grasim
- Demerger of Financial Services business from Grasim to Aditya Birla Capital Limited and subsequent listing on bourses

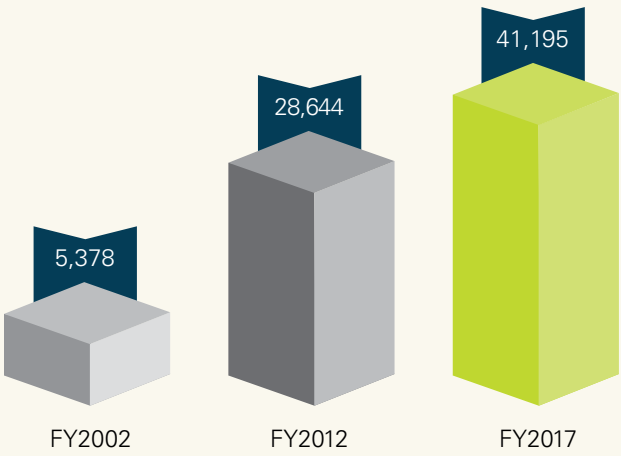


IMPRESSIVE FINANCIAL PERFORMANCE

Since Independence, the Indian economy has been on a formidable growth path. As Grasim completes 70 years, we look back with pride on the path we traversed and the milestone we created along the journey that began with the vision of Mr. G.D. Birla and carried forward with core values and strong financial discipline of the three generations. Over the years, Grasim has consistently delivered superior financial performance and built an enviable position of financial strength. The Key Mantras underlying Grasim's Success are:

- **Cost Leadership**
  Backward integration in Pulp and Caustic
- **Cash is King**
  Capital expansion plan without stretching our Balance Sheet
- **Diversification**
  Cash businesses support growth businesses
- **Driving Synergies**
  Common Procurement, Marketing and Project teams

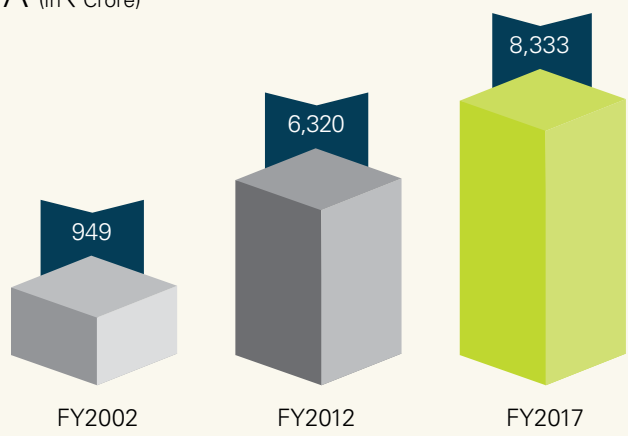
REVENUE (in ₹ Crore)



₹5,000 Crore

Revenue
FY 1999-2000

EBIDTA (in ₹ Crore)



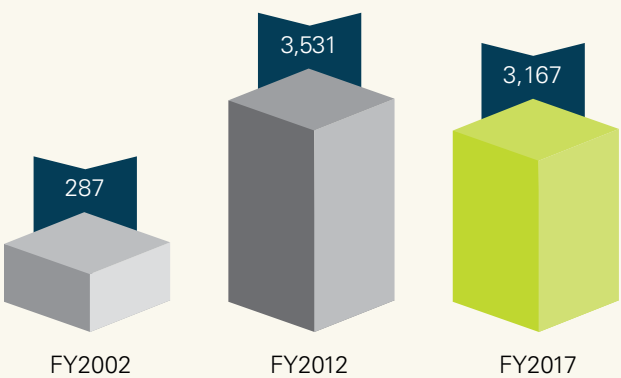
₹10,000 Crore

Revenue
FY 2004-05

₹20,000 Crore

Revenue
FY 2008-09

PAT (in ₹ Crore)



₹40,000 Crore

Revenue
FY 2015-16

All figures are on Consolidated basis since FY 2001-02



BUILDING CAPACITIES AND CAPABILITIES

Grasim has been one of the pioneers of "MAKE IN INDIA" success stories. When the British left in 1947, India, was largely dependent on imports for majority of manufactured goods. With the partition of India when large tracts of cotton-growing fertile land went to Pakistan, Mr. G.D. Birla foresaw that indigenous cotton production would come under tremendous stress as cultivation of food crops to feed a rapidly growing population would be a priority.

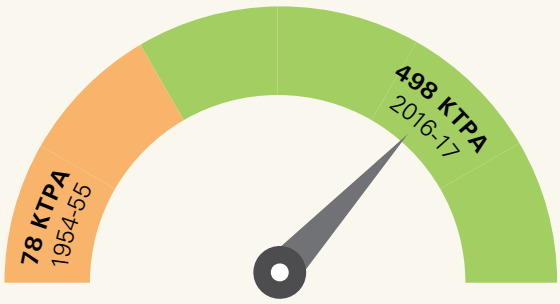
Today, Grasim is the world's leading producer of VSF.

Over the years, the Company has diversified in cement and chemicals, emerging as the largest cement manufacturer and largest Chlor Alkali player in India. The Company's geographic reach and presence has gone beyond India to Canada, China, Sweden, Sri Lanka, Middle East and Bangladesh.

While talent development and leadership grooming are an integral part of people development initiatives today, Mr. G.D. Birla had a very simple and profound approach to this. His modest and uncomplicated advice on training to his managers was just one sentence, *"See that people under you can go two steps beyond you".*

Capacity build-up over the years

VSF CAPACITY



The site chosen for the first plant was Nagda, Madhya Pradesh having abundant source of water as well as proximity of textile centres of Bombay (as it was called then) and Ahmedabad. It was His Highness Jivajeerao Scindia of Gwalior who offered Nagda site for setting up the plant.

CAUSTIC SODA CAPACITY



The early 1960s saw the establishment of the Pulp Division and the Engineering Division of Grasim, as well as setting up of Birla Research Institute for Applied Sciences at Nagda. In a short span of sixteen years, Grasim has achieved what no other manufacturer in the world had before – a completely integrated VSF capability spanning plant and engineering, pulp production and manufacture of VSF fibre from completely indigenous sources.

CEMENT CAPACITY



* As of Jun 2017, In March 17 the cement capacity was at 69.3 MTPA.



CONSISTENT VALUE CREATION

The Company's consistent value creation is reflected in its increasing market capitalization over the years, an undeniable validation of the confidence and faith of all shareholders.

Grasim's success of delivering double-digit Return on Capital Employed emanates from its superior product offering to its customers, Cost Discipline and Operational Focus.

20x

As on 30th June, 2017 our Market Capitalization has become 20x in last 25 years

₹ 3,921 Crore

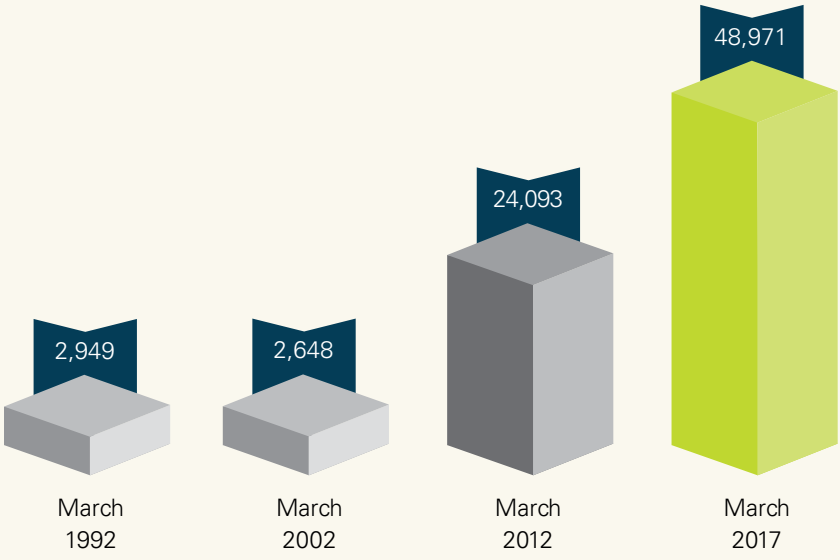
Uninterrupted dividend of ₹ 3,921 Crore paid in the last 25 years

"My great-grandfather (Mr. G.D. Birla) always believed in the trusteeship concept of management, where you are managing as a trustee for shareholders"

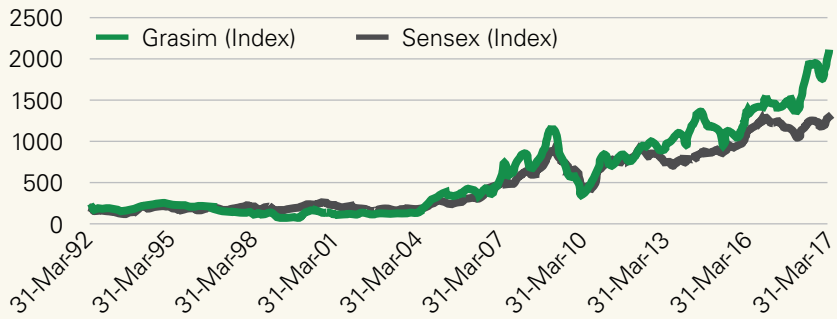
– K.M. Birla



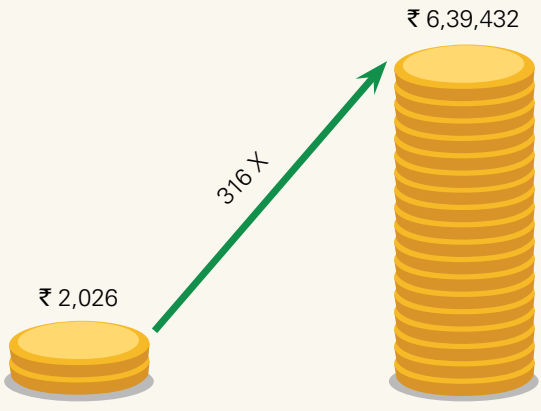
MARKET CAPITALIZATION (in ₹ Crore)



SHARE PRICE PERFORMANCE



MULTIFOLD RETURNS DELIVERED



Value of ₹ 2,026* invested in Grasim since its IPO in 1978.

* ₹ 2,026= ₹1000 in 1978 (IPO) + ₹ 306 in 1989 (FPO) + ₹ 720 in 1990 (Rights)

Grasim was amongst the first companies in India to tap global markets to fund expansion with GDR issues in 1992-93 for USD 90 mn and in 1994-15 for USD 100 mn. This was the first Euro issue by an Indian company.

By the end of the second millennia, most industry players felt VSF was a sunset industry. At Grasim, we thought otherwise. We invested. We focussed on emerging as lowest cost player and in back-ward integration to Pulp and Plantation.



OUTSTANDING PEOPLE POWER

Grasim's success story, today, is the validation of trust and faith the leaders had in the employees, which made the Company a leader in all its areas of operation.

Grasim has been fortunate to have visionary leadership in the form of leading luminaries and industry doyens as part of its Board of Directors. Starting with Mr. G.D. Birla, a man of uncommon foresight and depth of understanding, to the indomitable Mr. Aditya Vikram Birla to the current chairman, Kumar Mangalam Birla, Grasim has been steered with remarkable focus and dedication.

The Company also has the rare privilege of having members of the royal family as part of its Board of Directors.

Grasim remains indebted to members of the Board of Directors who have enriched the Company with their invaluable guidance and leadership. As we celebrate seventy years, we continue to be inspired by their legacy.

Chairmen

1. **G. D. Birla**
   (1952 – 1978)
2. **Aditya Vikram Birla**
   (1978 – 1995)
3. **Kumar Mangalam Birla**
   (since 1995)

Other Distinguished Board Members through years

- R. K. Birla (1947-1952)
- Sitatam Khemta (1947-62)
- D. P. Mandella (1947-1956)
- Yudhishthir Bhargava (1949-1953)
- Ghanshyam Das Birla (1952-1983)
- Navin Chandra Mafatlal (1952-1955)
- H.H. Vijaya Raje Scindia (1952-1962)
- Maj. Gen. Mrigendra Shamsher Jung Bahadur Rana (1952-1966)
- Rasiklal Jivanlal Chinal (1952-1963)
- K. M. D. Thackersey (1953-1978)
- H. H. Maharaja Jivajirao Madhorao Scindia (1957-61)
- Shriyans Prasad Jain (1958-1985)
- Ram Nath Goenka (1962-1966)
- H.H. Sethu Parvati Bai – Maharani of Travancore (1971-1976)
- Arvind Narottam Lalbhai (1979-2001)
- R. C. Bhargava (1997-2016)

Members of Royal family to have graced the Grasim Board



H.H. Jivajirao Madhorao Scindia
(Maharaja of Gwalior)



H.H. Vijaya Raje Scindia
(Rajmata of Gwalior)



H.H. Sethu Parvati Bai
(Maharani of Travancore)

The visionary leadership at Grasim has been ably supported by its employees. The leaders of Grasim always have had an intrinsic faith in indigenous skills and talents. They were convinced that **Indian workers were second to none, and given proper mentoring and training, were capable of building a world-class organisation in India.**

LEADING IN SHARING WITH THE SOCIETY

HEALTH CARE

Grasim has set up four hospitals at Nagda, Harihar, Kharach and Rehla and also operates mobile medical vans for treatment of patients in hinterland of India.

With a view to provide better Mother and Child Healthcare, the Company collaborated with the District Health Department.

> 1.8 lakh
patients were treated during the year

82,204
children were immunized against polio, diphtheria, typhoid, measles and rubella



EDUCATION

Grasim has set up seven schools to date – three at Nagda, two at Harihar and one each at Kharach and Rehla.

256
scholarships awarded

1,879
children, many of whom were first generation learners, were enrolled at schools in Nagda and Kharach

SUSTAINABLE LIVELIHOOD

The Company familiarized 2,267 farmers at Nagda, Rehla and Vilayat with innovative cropping techniques involving sustainable practices resulting in higher returns through better yields.

Grasim engages with 701 Self Help Groups (SHGs) to empower 8,185 household both financially and socially. The key training provided by these SHGs is in goatery, dairy, loom weaving, sutli weaving, tailoring, blanket weaving, etc.



8,185
households empowered both financially and socially through SHGs

> 2,000
farmers at Nagda, Rehla and Vilayat familiarized with innovative cropping techniques

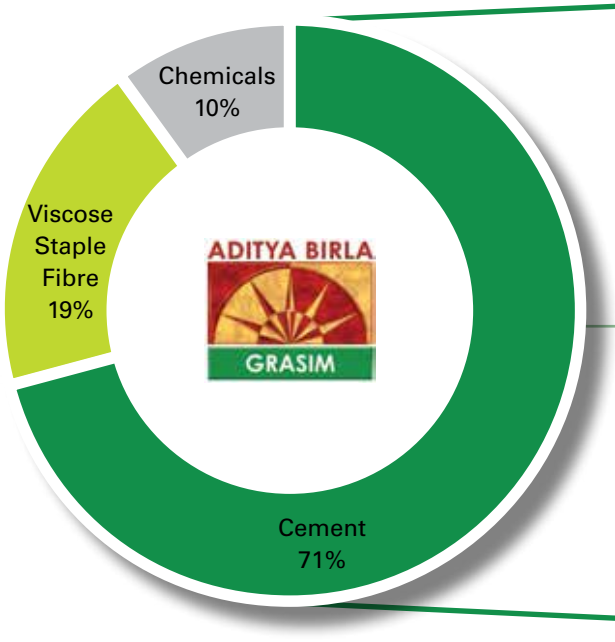
INFRASTRUCTURE DEVELOPMENT

Through our CSR efforts, we aim to alleviate the infrastructure of villages by providing basic amenities like safe drinking water and better sanitation. Till date, the Company has supported the setting up of 26 Reverse Osmosis plants and water tanks.

4,572
people now have access to safe drinking water

2,051
individual toilets facilitated

MAKING OF INDIA'S...



Strong Parentage for Financial Services business

- AAA parent may potentially lead to reduction in cost of borrowing
- Will provide access to larger pool of funds through capital markets in the form of both debt as well as equity
- Borrowing mix can be optimized

Today, as the flagship company of the Aditya Birla Group, we have the right mix of experience and expertise, capacity and capability as well as learning and leadership that will catapult us into the next phase of growth as we play on the India growth story.

OUR BUSINESS LEADERSHIP POSITION IN INDIA

#1 VSF

#1 CEMENT

#1 CAUSTIC SODA

#1 LINEN PLAYER

#3 TELECOM OPERATOR

#5 PRIVATE LIFE INSURANCE

#4 ASSET MANAGEMENT

#AMONG TOP 5 DIVERSIFIED NBFC'S

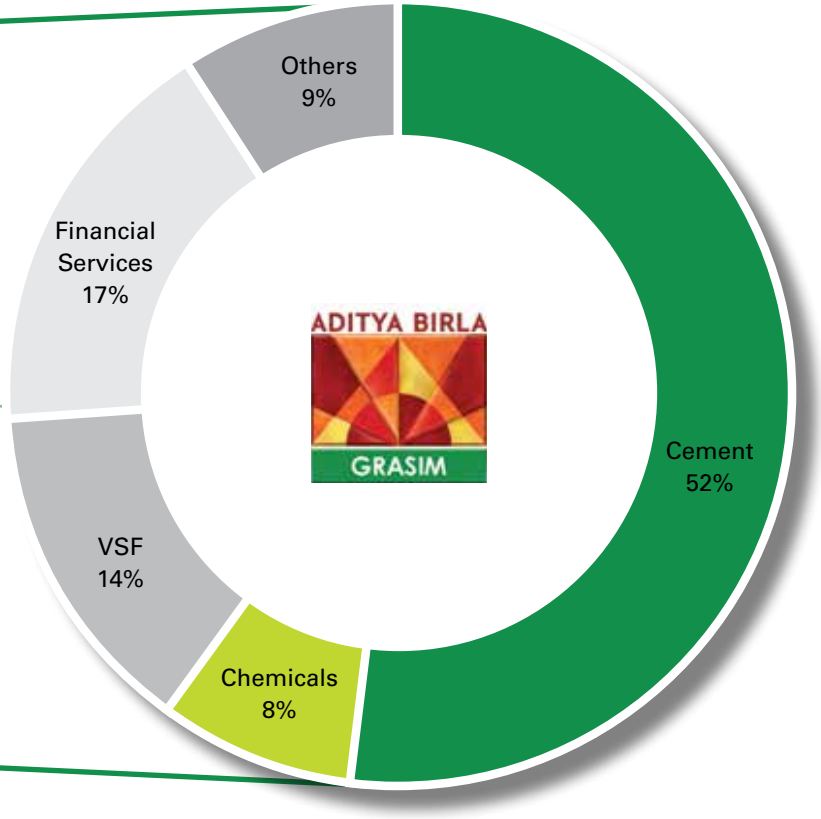
...NEW GROWTH STORY

Access to high growth businesses

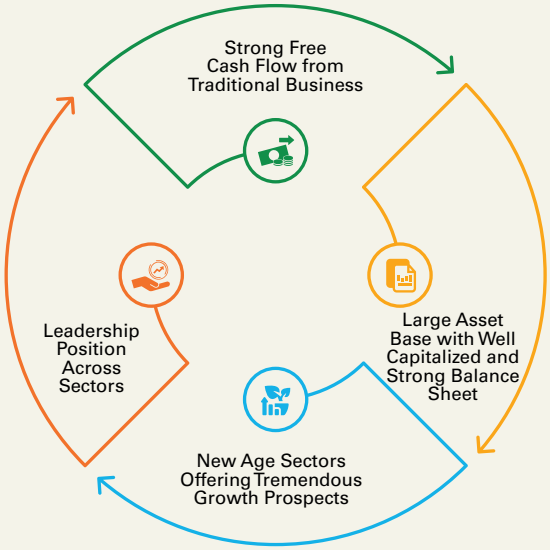
- Cash flow of the merged entity from various operating businesses can be meaningfully leveraged towards nurturing companies with future growth opportunities

Value Unlocking in Financial Services Business

- ABNL has invested and nurtured the Financial Services Business with capital infusion on an on-going basis to deliver on growth expectations
- Foray into Payments Bank, Health Insurance & Housing Finance offers strong future growth opportunities



The merger will synergize a unique portfolio of businesses with a well-capitalized asset base, diverse revenue streams and strong cash-flow generations to make **India's New Growth Story.**



Financial Strengths

Operational Expertise

High Quality Management Team

FROM OUR ARCHIVES











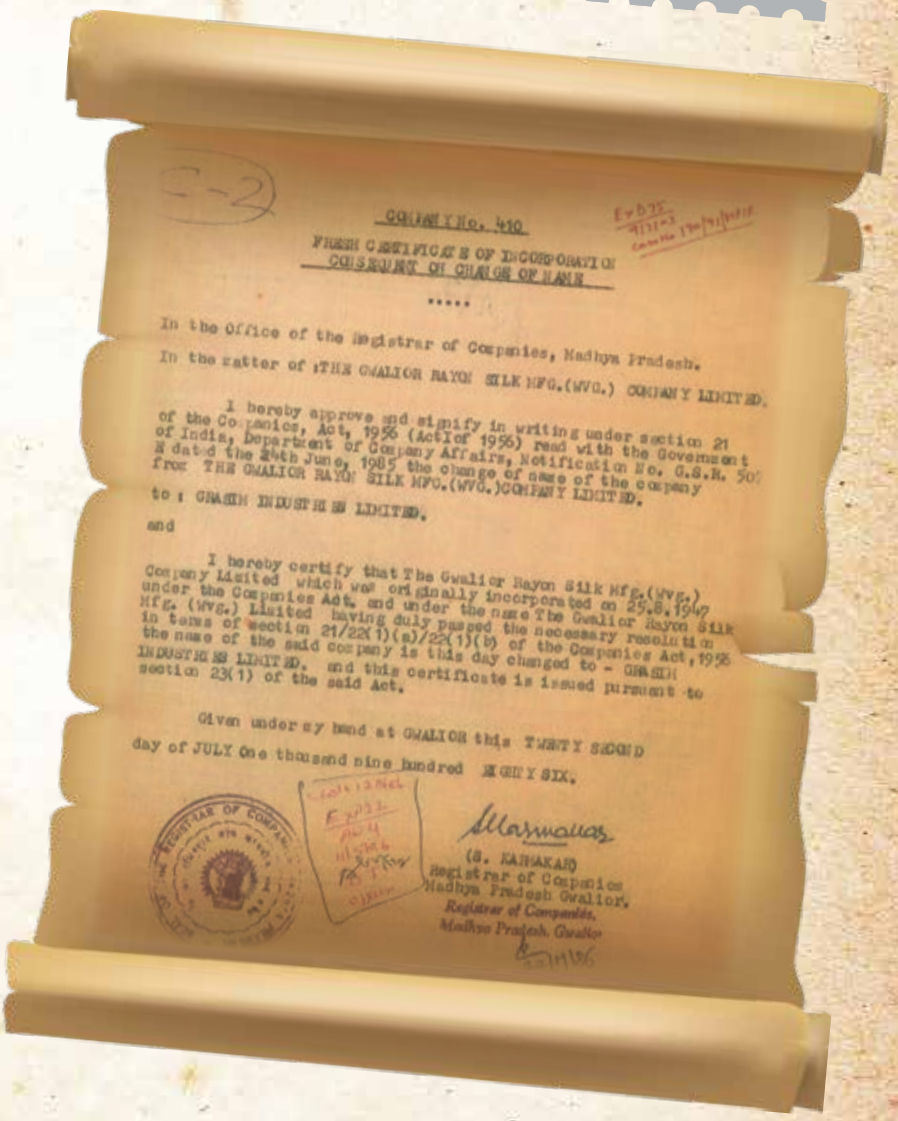












C-2

COMPANY No. 410

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

.....

In the Office of the Registrar of Companies, Madhya Pradesh.

In the matter of THE GWALIOR RAYON SILK MFG.(WVG.) COMPANY LIMITED.

I hereby approve and signify in writing under section 21 of the Companies, Act, 1956 (Act of 1956) read with the Government of India, Department of Company Affairs, Notification No. G.S.R. 507 E dated the 24th June, 1985 the change of name of the company from THE GWALIOR RAYON SILK MFG.(WVG.)COMPANY LIMITED.

to : GRASIM INDUSTRIES LIMITED.

and

I hereby certify that The Gwalior Rayon Silk Mfg.(Wvg.) Company Limited which was originally incorporated on 25.8.1947 under the Companies Act, and under the name The Gwalior Rayon Silk Mfg. (Wvg.) Limited having duly passed the necessary resolution in terms of section 21/22(1)(a)/22(1)(b) of the Companies Act, 1956 the name of the said company is this day changed to - GRASIM INDUSTRIES LIMITED. and this certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at GWALIOR this TWENTY SECOND day of JULY One thousand nine hundred EIGHTY SIX.

(S. KARAKAR)
Registrar of Companies
Madhya Pradesh Gwalior.
Registrar of Companies,
Madhya Pradesh, Gwalior

OUR BRANDS


ADITYA BIRLA
GRASIM
fluid fashion
now luxuriously soft
This exquisite, nature based fabric
gives my garments a unique combination of
fluidity and luxurious softness.
It's fashion so fluid that when I move,
it moves with me... indulging me in never before
fluidity, comfort and softness.
KANGANA RANAUT
liva crème
natural fluid fashion
now LUXURIOUSLY SOFT

Birla Cellulose Viscose

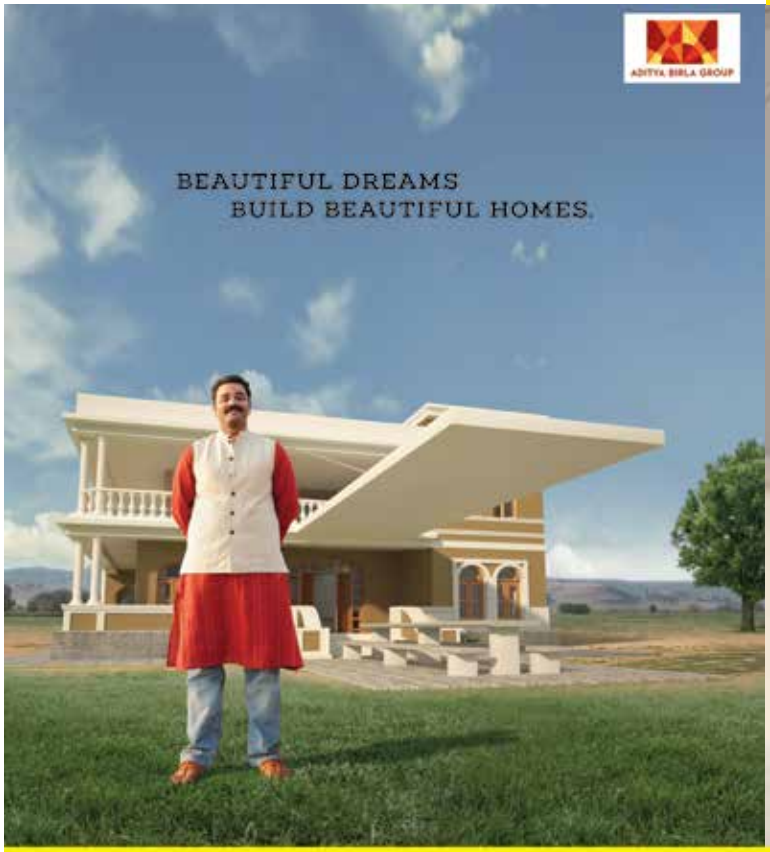
Birla Cellulose Modal

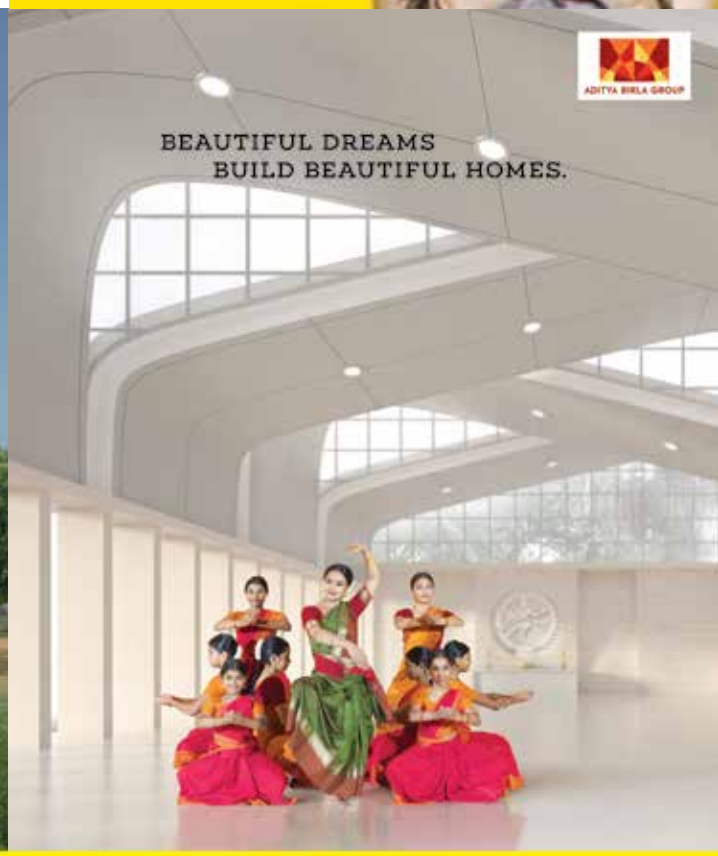
Birla Cellulose Excel

Birla White
THE WHITEST WHITE CEMENT
My kind of design

Birla Cellulose
Fibres from nature







Give your dreams shape with UltraTech Cement. The one cement which understands the desire to build beautiful.

UltraTech CEMENT The Engineer's Choice | Build beautiful

Give your dreams shape with UltraTech Cement. The one cement which understands the desire to build beautiful.

UltraTech CEMENT The Engineer's Choice | Build beautiful







What's the difference between a house and a home?

A home is where your family and you feel secured. It's also where you make memories that last a lifetime. We understand that some needs and desires in life are better fulfilled immediately and a home is one of them. Get your new home's key through home loans from Aditya Birla Housing Finance.

HOME FINANCE
at 1800-270-7000

ADITYA BIRLA CAPITAL

Will tomorrow be better than today?

For realising your aspirations and ambitions effortlessly, you can start taking small steps today. Be it your kids' education, a dream holiday or an alternate career, we can assist you with your investing needs, so that your tomorrow is better than today.

MUTUAL FUND
at 1800-270-7000

ADITYA BIRLA CAPITAL

What keeps you up at night?

It's probably the things you care for and value the most. Whether it's your life or that of your loved ones, or the material things for which you have strived hard, we can assist you with your protecting needs.

LIFE INSURANCE
at 1800-270-7000

ADITYA BIRLA CAPITAL

BOARD OF DIRECTORS





Seating - Left to Right

Mr. Dilip Gaur
Managing Director

Mrs. Rajashree Birla
Non-Executive Director

Mr. Kumar Mangalam Birla
Chairman

Mr. Sushil Agarwal
Whole-time Director

Mr. Shailendra K. Jain
Non-Executive Director

Standing - Left to Right

Mr. Cyril Shroff
Independent Director

Mr. N. Mohan Raj
Nominee Director (LIC)

Dr. Thomas M. Connelly Jr.
Independent Director

Mr. O. P. Rungta
Independent Director

Mr. B. V. Bhargava
Independent Director

Mr. M. L. Apte
Independent Director

Mr. Arun Kannan Thiagarajan
Independent Director

KEY MANEGERIAL PERSONNEL / SENIOR MANAGEMENT TEAM

MANAGING DIRECTOR & BUSINESS DIRECTOR - FIBRE & PULP
Mr. Dilip Gaur

GROUP CHIEF FINANCIAL OFFICER
Mr. Sushil Agarwal

PRESIDENT & COMPANY SECRETARY
Mrs. Hutokshi Wadia

FIBRE & PULP BUSINESS
Mr. H. K. Agarwal
Chief Operating Officer (Fibre Business)

Mr. Vinod Tiwari
Chief Operating Officer (Pulp Operations)

Dr. Aspi Patel
Chief Technology Officer

Mr. Rajeev Gopal
Chief Marketing Officer

Mr. Parag Paranjpe
Chief Human Resource Officer

Mr. Anil Rustogi
Chief Financial Officer - Pulp & Fibre Business

Mr. S. K. Saboo
Advisor

Mr. Vijay Kaul
Advisor

CHEMICAL BUSINESS
Mr. E. R. Raj Narayanan
Group Executive President & SBU Head - Chlor Alkali and Viscose Filament Yarn

Mr. G. K. Tulsian
Executive President

Ms. Chandra Bhattacharjee
Chief Human Resource Officer

Mr. N. M. Patnaik
Sr. President & Chief Financial Officer - Chemical Sector

CEMENT BUSINESS
(UltraTech Cement Limited)

Mr. K. K. Maheshwari
Managing Director

Mr. K. C. Jhanwar
Deputy Managing Director and Chief Manufacturing Officer

Mr. Atul Daga
Whole-time Director and Chief Financial Officer

Mr. Vivek Agrawal
Group Executive President and Chief Marketing Officer

TEXTILE BUSINESS
Mr. Thomas Varghese
Business Head

Mr. Manoj Kedia
Chief Financial Officer

FINANCIAL SERVICES
Mr. Ajay Srinivasan
Chief Executive Officer

Mr. Pankaj Razdan
Dy. Chief Executive Officer Managing Director & Chief Executive Officer -Birla Sun Life Insurance Co. Ltd.

TELECOM
Mr. Himanshu Kapania
Business Head

AGRI / INSULATORS / RAYON
Mr. Rahul Kohli
Chief Executive Officer - Fertiliser Business

Mr. Rohit Pathak
Chief Executive Officer - Insulators

CORPORATE FINANCE DIVISION
Mr. Pavan K. Jain
Executive President

Mr. Hemant K. Kadel
Executive President

Mr. Shriram Jagetiya
President

STATUTORY AUDITORS
M/s. G. P. Kapadia & Co., Mumbai
BSR & Co. LLP, Mumbai

SOLICITORS
M/s. Cyril Amarchand Mangaldas

REGISTRAR & SHARE TRANSFER AGENTS
Karvy Computershare Private Limited

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FINANCIAL HIGHLIGHTS - CONSOLIDATED

Year ----->	Unit	2016-17	2015-16	2014-15	2013-14	2012-13
Production						
Grey Cement	Mn. Tons	51.00	50.57	46.71	43.60	42.59
White Cement & Putty	Lakh Tons	13.47	13.21	12.04	11.67	10.20
Viscose Staple Fibre	Lakh Tons	4.93	4.64	4.08	3.61	3.37
Caustic Soda	Lakh Tons	7.80	7.56	4.12	3.13	2.70
Turnover *						
Grey Cement (Incl. Clinker)	Mn. Tons	52.40	51.33	48.17	44.66	43.64
White Cement & Putty	Lakh Tons	13.18	13.12	12.24	11.41	10.18
Viscose Staple Fibre	Lakh Tons	5.00	4.67	4.03	3.67	3.36
Caustic Soda	Lakh Tons	7.84	7.63	4.09	3.14	2.69

** (Including Captive Consumption)*

₹ in Crore

Profit & Loss Account	2016-17 (USD Million[1])					
Revenue from Operations[2]						
Cement	4271	28646	28392	27403	24,377	24006
Viscose Staple Fibre	1150	7715	6536	7077	6732	5831
Chemicals	623	4180	3768	1879	1198	1058
Others	69	465	508	636	615	546
Inter-segment Elimination	-113	-758	-669	-527	-376	-369
Total Net Revenue	**6001**	**40247**	**38535**	**36468**	**32545**	**31073**
EBITDA						
Cement [$]	874	5861	5365	4476	4086	4872
Viscose Staple Fibre	215	1439	923	459	716	901
Chemicals	125	841	663	292	225	245
Others/Unallocated/Inter-segment Elimination	29	192	115	456	464	525
Total EBITDA	**1243**	**8333**	**7066**	**5683**	**5491**	**6543**
Interest	105	702	718	667	447	324
Gross Profit (PBDT)	**1138**	**7631**	**6348**	**5016**	**5044**	**6219**
Depreciation	270	1808	1834	1563	1457	1252
Profit Before Tax and Exceptional Items	**868**	**5823**	**4514**	**3453**	**3586**	**4967**
Exceptional Items (EI)	-	-	-28	-9	-	204
Profit Before Tax	**868**	**5823**	**4486**	**3443**	**3586**	**5171**
Total Tax Expenses	254	1707	1225	1016	735	1467
Net Profit	**614**	**4116**	**3262**	**2427**	**2851**	**3704**
Less: Minority Interest	161	1078	987	838	883	1074
Add: Share in Profit/(Loss) of Associates	19	129	193	154	103	74
Net Profit	**472**	**3167**	**2468**	**1744**	**2072**	**2704**
Other Comprehensive Income (Owners of the Company)	142	951	210	NA	NA	NA
Total Comprehensive Income (Owners of the Company)	**614**	**4119**	**2678**	**NA**	**NA**	**NA**

$ Income of UltraTech Cement related to unallocated corporate capital employed included in Unallocated EBITDA.
Note [1] - 1 USD = INR 67.06
Note [2] – Revenue includes Excise duty

₹ in Crore

Balance Sheet	2016-17 (USD Million[2])		2015-16	2014-15	2013-14	2012-13
Net Fixed Assets (incl. CWIP and Capital Advances)	5157	33443	33550	32057	26943	24771
Long-Term Loans and Advances	100	650	923	1648	880	457
Investments (Non-Current and Current)	2190	14200	10601	7255	7611	8011
Goodwill	462	2994	3016	3283	3277	3010
Current Assets	2021	11460	11486	9790	9025	7874
	9676	**62747**	**59576**	**54033**	**47736**	**44123**
Equity Share Capital	14	93	93	92	92	92
Share Capital (Other than Equity)	0	-	-	59	45	43
Reserves and Surplus	4826	31293	27336	22989	21478	19522
Net Worth	4840	31387	27429	23140	21615	19657
Non Controlling Interest	1496	9702	8729	7682	6936	6221
Deferred Tax Liabilities (Net)	543	3518	3025	3410	2803	2301
Long-Term Liabilities & Provisions	69	449	386	297	220	205
Total Loan Funds [3]	1421	9213	12504	11930	9681	9550
Current Liabilities [3]	1307	8478	7503	7574	6481	6189
	9676	**62747**	**59576**	**54033**	**47736**	**44123**

Note [2] - 1 USD = INR 64.85
Note [3] - Short -Term Borrowings and Current Maturities of Long-Term Borrowings have been included in Total Loan Funds, excluding the same from Current Liabilities.

Ratios & Statistics						
EBITDA Margin	(%)	20.5	18.2	17.0	18.4	22.9
Net Margin	(%)	10.4	9.0	7.8	9.9	12.5
Interest Cover (EBITDA- Current Tax/Total Interest)	(x)	11.0	9.3	6.8	8.3	10.9
ROACE (EBIT/Avg.CE) (Excl. CWIP)	(%)	12.8	11.3	10.5	12.1	18.4
RONW (PAT before EI/EO/Avg. NW)	(%)	10.8	9.6	7.8	10.0	13.6
Total Debt Equity Ratio	(x)	0.22	0.35	0.39	0.34	0.37
Net Debt to Equity Ratio	(x)	-0.05	0.10	0.20	0.12	0.11
Net Debt to EBITDA Ratio	(x)	-0.27	0.51	1.08	0.63	0.43
Basic Earnings per Share (before EI/EO)	₹ / Share	67.8	52.8	190.8	225.6	272.3
Book Value per Share[@]	₹ / Share	672	588	504	471	428
Market cap	₹ / Crore	48,971	35,884	33,272	26,520	25,781

[@] Previous year numbers are adjusted for split of shares.

FINANCIAL HIGHLIGHTS - STANDALONE

(Results for the year 2016-17 and 2015-16 are as per IND AS

₹ in Crore

Year ----->	USD Million[1]	2016-17	2015-16	2014-15	2013-14	2012-13
Profit and Loss Account						
Revenue from Operations[2]	**1543**	**11253**	**9778**	**6819**	**6035**	**5661**
EBITDA	**392**	**2629**	**1851**	**1013**	**1246**	**1523**
Interest	9	58	147	39	41	39
Gross Profit (PBDT)	**383**	**2571**	**1704**	**974**	**1205**	**1484**
Depreciation	67	446	445	263	220	159
Profit Before Tax and Exceptional Items	**317**	**2125**	**1259**	**711**	**985**	**1324**
Exceptional Items (EI)	0	0	-29	-26	-	204
Profit Before Tax	**317**	**2125**	**1230**	**685**	**985**	**1529**
Total Tax Expenses	84	565	259	155	89	303
Net Profit	**233**	**1560**	**971**	**530**	**896**	**1226**
Equity Dividend (including CTD)	0		221	169	200	216
Other Comprehensive Income	151	1012	92	NA	NA	NA
Total Comprehensive Income	**383**	**2572**	**1062**	**NA**	**NA**	**NA**

₹ in Crore

Balance Sheet	USD Million[3]					
Net Fixed Assets (incl. CWIP and Capital Advance)	1128	7317	7339	5710	5495	4765
Long-Term Loans & Advances	27	178	225	454	339	171
Investments (Non-Current & Current)	1387	8996	7100	5350	5604	6224
Current Assets	518	3360	3133	2851	2440	1906
	3061	**19851**	**17796**	**14365**	**13878**	**13066**
Share Capital	14	93	93	92	92	92
Reserves and Surplus	2488	16138	13778	11091	10736	10030
Net Worth	2503	16231	13872	11183	10828	10122
Deferred Tax Liability (Net)	102	663	494	615	462	344
Long Term Liabilities & Provisions	17	110	96	89	57	56
Total Loan Funds [4]	108	701	1839	1115	1302	1284
Current Liabilities [4]	331	2146	1495	1363	1229	1260
	3061	**19851**	**17796**	**14364**	**13878**	**13066**
Ratios & Statistics						
EBITDA Margin	(%)	24.3	19.8	15.2	20.8	26.8
Net Margin	(%)	14.4	10.7	8.3	15.0	18.0
Interest Cover (EBITDA-Current Tax/Total Interest)	(x)	36.4	11.0	13.8	13.2	21.3
Total Debt to Equity Ratio	(x)	0.04	0.13	0.10	0.12	0.13
Net Debt to Equity Ratio[5]	(x)	-0.11	0.02	-	-	-
Dividend per Share[6]	₹ / Share	5.5	4.5	18.0	21.0	22.5
Basic Earnings per Share (before EI/EO)[5]	₹ / Share	33.4	21.4	60.5	97.6	111.3
Book Value per Share[6]	₹ / Share	348	297	1217	1179	1103
No. of Equity Shareholders	No.	152463	139659	134350	137732	145595
No. of Employees	No.	8669	8891	7381	7446	7301

Note [1] - 1 USD = INR 67.06
Note [2] - Revenue includes Excise Duty
Note [3] - 1 USD = INR 64.85
Note [4] - Short Term Borrowing and Current Maturities of Long Term Borrowings have been included in Total Loan Funds excluding the same from Current Liabilities.
Note [5] - From FY 2011-12 to FY 2014-15 and in FY2016-17, Liquid Investments are higher than total debts.
Note [6] - Adjusted for share split.

BOARD'S REPORT

TO THE MEMBERS OF GRASIM INDUSTRIES LIMITED

Your Directors are pleased to present the 70th Annual Report of your Company along with the Audited Financial Statements for the financial year ended 31st March 2017.

FINANCIAL HIGHLIGHTS

(₹ in Crores)

	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	**40,247.17**	38,535.01	**11,252.95**	9,778.40
Earnings Before Interest, Depreciation/ Amortisation and Tax (EBITDA)	**8,332.91**	7,066.05	**2,628.70**	1,851.13
Less: Finance Costs	**702.40**	718.09	**57.62**	147.40
Less: Depreciation and Amortisation	**1,807.59**	1,833.79	**446.14**	444.89
Profit Before Share in Profit/(Loss) of Equity Accounted Investees, Exceptional Items and Tax	**5,822.92**	4,514.17	**2,124.94**	1,258.84
Share in Profit/(Loss) of Equity Accounted Investees	**129.40**	193.02	-	-
Exceptional Items	-	(27.85)	-	(29.19)
Profit Before Tax (PBT)	**5,952.32**	4,679.34	**2,124.94**	1,229.65
Tax Expenses	**1,706.71**	1,224.60	**564.94**	259.01
Profit After Tax including Share in Profit/(Loss) of Equity Accounted Investees	**4,245.61**	3,454.74	**1,560.00**	970.64
Attributable to:				
Shareholders of the Company	**3,167.30**	2,468.14	**1,560.00**	970.64
Non-Controlling Interest	**1,078.31**	986.60	-	-
Other Comprehensive Income (Net of Tax)	**963.44**	221.69	**1,011.53**	91.82
Total Comprehensive Income for the Year	**5,209.05**	3,676.43	**2,571.53**	1,062.46
Attributable to:				
Shareholders of the Company	**4,118.78**	2,678.12	**2,571.53**	1,062.46
Non-Controlling Interest	**1,090.27**	998.31	-	-
Retained Earnings: Opening Balance	**2,109.82**	914.34	**2,604.32**	1,938.58
Transferred from ABCIL as on 1st April, 2015 pursuant to the Scheme of Amalgamation	-	362.33	-	362.33
Profit for the Year	**3,167.30**	2,468.14	**1,560.00**	970.64
Re-measurement of Defined Benefits Plan	**(18.17)**	(0.11)	**(8.61)**	2.52
Loss on sale of Non-Current Investments transferred to Retained Earnings from Equity Instrument through Other Comprehensive Income	-	(1.02)	-	(1.02)
Other adjustments related to an Associate	**(52.65)**	(2.72)	-	-
Dilution of Stake in a Subsidiary and Associate	**(1.86)**	-	-	-
Surplus Available for Appropriation	**5,204.44**	3,740.96	**4,155.71**	3,273.05
Appropriations:				
Reserve Fund	**0.69**	0.34	-	-
General Reserve	**1,704.56**	1,405.10	**500.00**	500.00
Dividend Paid (including Corporate Dividend Tax)	**253.20**	198.77	**220.84**	168.73
Debenture Redemption Reserve	**(53.77)**	26.93	-	-
Legal Reserve	**0.63**	-	-	
Retained Earnings: Closing Balance	**3,299.13**	2,109.82	**3,434.87**	2,604.32

The financial statements have been prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ('the Act'), and guidelines issued by the Securities and Exchange Board of India ('SEBI'). The date of transition to Ind AS is 1st April 2015.

DIVIDEND

Your Directors have recommended a dividend of ₹ 5.50 (Rupees Five and Paise Fifty Only) per equity share of ₹ 2 each of the Company for the financial year ended 31st March 2017. The dividend, if approved by the members, would involve a cash outflow of ₹ 401.47 Crore (inclusive of Dividend Distribution Tax).

In terms of the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, your Company has formulated a Dividend Distribution Policy. This Policy is given in **Annexure 'A'** to this Report and is also accessible at your Company's website, www.grasim.com.

TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 500 Crore to the General Reserves.

PERFORMANCE REVIEW

Your Company recorded Standalone Revenue of ₹ 11,253 Crore, 15% higher from ₹ 9,778 Crore in the previous year. Net Profit for the year at ₹ 1,560 Crore, increased by 60.71 % from ₹ 971 Crore in the previous year.

With improved performance of all the three businesses, EBIDTA grew by 18% to ₹ 8,333 Crore from ₹ 7,066 Crore in the previous year. Your Company's Consolidated Revenue increased to ₹ 40,247 Crore from ₹ 38,535 Crore in the previous year. Net Profit increased to ₹ 3,167 Crore from ₹ 2,468 Crore in the previous year.

Globally, the demand for Viscose Staple Fibre (VSF) has been growing at a faster rate as compared to other fibres, and is expected to continue to grow at healthy pace. In India, high value currency replacement programme temporarily impacted down stream players in textile value chain. Thus, the demand for VSF witnessed a slowdown, particularly from power loom sector. However, your Company was able to do higher export sales of VSF to mitigate the slowdown in domestic off take.

Sales volume of the Company increased by 6%, led by higher share of speciality fibre, which increased from 33% in FY 16 to 36% in FY 17. Improved productivity at various plants led to reduction in consumption of power, steam and caustic soda. Higher realisation and improvement in operating efficiencies resulted in surge in EBITDA, which went up by 56% from ₹ 923 Crore to ₹ 1,439 Crore, negated to some extent by increase in pulp cost. EBITDA margin was 20% in the current financial year as against 15% in the last financial year.

Sustainability is the key focus area for the Company Significant reduction of more than 20% in water consumption was achieved by Quarter 4 compared to average consumption of FY 16.

The Company's Liva brand for VSF-based products is making strong foothold in women's wear market. Liva Crème, a premium version of brand Liva, was launched during the year, to cater to the niche market. It has established strong market presence with leading customers, and is helping expand market for speciality fibre in India.

The joint venture companies (JVs) engaged in Pulp and Fibre business, reported considerable improvement in financial performance. As against a PAT (Grasim's share) of ₹ 63 Crore in FY 16, these JVs have contributed a PAT of ₹ 138 Crore during the current year. Higher pulp realisation and volumes coupled with improvement in consumption norms of various inputs led to rise in operating profit.

Chemical business reported an increase of 11% in sales revenue and EBITDA increased by 13% over the previous year. Capacity utilisation was high at 93%. Sales volume was up by 2%. The impact of higher energy cost was offset by reduction in power consumption and decline in salt and other raw material cost. Steady growth of chlorine derivative products eased the pressure on chlorine offtake to a great extent. The chlorine derivatives business also provides good growth opportunity in the exports market. Business achieved significant progress in the areas of water treatment chemicals, plasticisers and other industrial products.

In Cement business, UltraTech Cement Limited (UltraTech), a subsidiary of your Company, has completed the acquisition of the cement plants of Jaiprakash Associate Ltd. and Jaiprakash Cement Corporation Ltd., located in Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Uttarakhand and Andhra Pradesh, with a total capacity of 21.20 MTPA at an enterprise value of ₹16,189 Crore, in June 2017. During the year under review, cement capacity was augmented to 66.25 MTPA, following the commissioning of the grinding unit at Patliputra in Bihar. Cement production improved marginally from 47.56 MTPA in the previous to 47.91 MTPA. Capacity utilisation clocked 72% on a higher capacity base. Domestic sales volume rose marginally

from 47.13 MMT to 47.62 MMT vis-à-vis a marginal dip in industry volume for the year.

STRATEGIC INITIATIVES

The Management Discussion and Analysis Section, which forms part of the Annual Report, focuses on your Company's strategies for growth and the performance review of the businesses/operations in depth.

COMPOSITE SCHEME OF ARRANGEMENT

Vide its Order dated 1st June 2017, the National Company Law Tribunal, Bench at Ahmedabad (NCLT), has sanctioned the Composite Scheme of Arrangement between your Company and Aditya Birla Nuvo Limited (ABNL) and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited) (ABCL) (Scheme). With effect from 1st July 2017 (the Effective Date 1), ABNL along with its assets, liabilities, contracts, employees, etc., stands amalgamated with and be vested in your Company, as a going concern so as to become the assets, liabilities, etc., of your Company, in the manner provided in the Scheme. With effect from 4th July 2017, (the Effective Date 2), the financial services business of your Company stands transferred to and vested in ABCL.

With the amalgamation becoming effective, ABCL and its subsidiaries have become the subsidiary companies of your Company.

The restructuring, in terms of the Scheme, has enabled your Company to extend its presence to the fast growing sectors such as financial services and telecom, and enhance long-term value for the shareholders. This will also enable ABCL to grow faster under your Company's strong parentage, and is expected to improve its credit profile and reduce its cost of borrowings, thereby enhancing its competitive positioning. The merger has also led to consolidation of similar businesses of your Company and ABNL.

Your Company and ABCL are in the process of completing the formalities relating to allotment of shares of their respective Companies and listing the same.

CORPORATE ACTIONS PLANS IMPLEMENTED/ INITIATED DURING THE YEAR ENDED 31ST MARCH, 2017

The following developments/actions have taken place during the year ended 31st March 2017:

a. Sub-division of equity shares of your Company from one equity share of the face value of ₹ 10/- each fully paid up to five equity shares of the face value of ₹ 2/- each fully paid-up;

b. Increase in investment limit for registered foreign portfolio investors/foreign institutional investors from 24% to 30% in your Company. (Approval received from Reserve Bank of India on 13th April 2017, for increase in the limit to 49%).

c. The Board of Directors of your Company has adopted Dividend Distribution Policy.

d. The Board of Directors of Idea Cellular Limited (Idea) had at their meeting, held on 20th March 2017, approved the merger of Vodafone India Limited and Vodafone Mobile Services Limited with Idea, subject to receipt of necessary approvals.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 (Act), read with the Companies (Accounts) Rules, 2014, SEBI (LODR), and Ind AS 110 – Consolidated Financial Statements and Ind AS 28 – Investment in Associates and Joint Ventures, the Audited Consolidated Financial Statements are provided in this Report. The Consolidated Financial Statements have been prepared on the basis of the Audited Financial Statements of the Company, its subsidiaries, joint ventures and associate companies, as approved by their respective Board of Directors.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

a. With effect from 1st April 2016, AV Cell Inc. and AV Nackawic Inc., the joint venture companies of your Company amalgamated and formed a new company, namely, AV Group NB Inc., Canada. Your Company holds 45% of the paid-up equity share capital of AV Group NB Inc., same as it held in each of AV Cell Inc. and AV Nackawic Inc.

b. With effect from 15th July 2016, the paid-up share capital of Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey, stood reduced to TL 5,00,000 from TL 6,00,00,000. The Company received a sum of ₹ 56.20 Crore, on account of such reduction. Your Company continues to hold 33.33% of the paid-up share capital of Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi.

c. On 20th March 2017, your Company executed Agreements, as Promoters of Idea Cellular Limited, in respect of the proposed merger of Vodafone India Limited and Vodafone Mobile Services Limited with Idea Cellular Limited.

With effect from 1st July 2017, the subsidiary companies of the erstwhile Aditya Birla Nuvo Limited have become the subsidiaries of your Company.

In accordance with the provisions of Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is given in **Annexure 'B'** to this Report.

In accordance with the provisions of Section 136(1) of the Act, the Annual Report of your Company, containing *inter alia* the audited standalone and consolidated financial statements, has been placed on the website of the Company, www.grasim.com. Further, the audited financial statements, along with related information and other reports of each of the subsidiary companies, have also been placed on the website of the Company, www.grasim.com.

In accordance with Section 136 of the Act, the financial statements of the subsidiary companies and related information are available for inspection by the Members at the Registered Office of your Company, during business hours upto the date of the Annual General Meeting (AGM). Any Member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company.

SHARE CAPITAL

During the year 2016-17:

- Your Company sub-divided each equity share of the Company of face value of ₹ 10/- fully paid-up into 5 (five) Equity Shares of face value of ₹ 2/- each fully paid-up as on the record date fixed on 8th October 2016, pursuant to the resolution passed by Members in the Annual General Meeting held on 23rd September 2016.
- Your Company allotted 106,580 equity shares (post-sub-division adjustment to the number of equity shares) of ₹ 2/- each pursuant to the exercise of stock options.

As on 31st March 2017, the paid-up equity share capital of your Company stood at ₹ 93.37 Crore, consisting of 466,862,190 equity shares of ₹ 2/- each.

During the year 2016-17, the Company has not issued shares with differential voting rights and sweat equity shares.

DEPOSITS

During the year under review, your Company has not accepted or renewed any deposit within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014, and, as such, no amount of principal or interest was outstanding, as on the date of the Balance Sheet.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186 of the Act and Schedule V of SEBI (LODR), disclosures on particulars relating to loans, advances and investments are provided as part of the Financial Statements. There are no guarantees issued or securities provided by your Company in terms of Section 186 of the Act, read with the Rules issued thereunder.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (LODR), forms an integral part of this Report.

CORPORATE GOVERNANCE

Your Directors re-affirm their continued commitment to best practices of Corporate Governance. Corporate Governance principles form an integral part of the core values of your Company.

In terms of Regulation 34 of SEBI (LODR), a separate report on Corporate Governance, along with a certificate from the Auditors on its compliance, forms an integral part of this Report and is given as **Annexure 'C'**.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of SEBI (LODR), a separate section of Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective, forms an integral part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

With effect from 1st October 2016, Mr. R. C. Bhargava, an Independent Director (DIN: 00007620) resigned from the Board and Committees of the Board of Directors of the Company. The Board places on record its deep appreciation and gratitude for the valuable contribution and advice offered by Mr. R. C. Bhargava during his tenure as Director on the Board of the Company.

Mr. K. K. Maheshwari, Non-Executive Director (DIN: 00017572), resigned from the Board of Directors of the Company w.e.f. 27th December 2016, due to pre-commitment. The Board places on record its deep appreciation and gratitude for the substantial contribution and valuable advice offered by Mr. Maheshwari during his tenure as Director on the Board of the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Kumar

Mangalam Birla (DIN: 00012813), Director of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and, being eligible, has offered himself for re-appointment. Resolution seeking his appointment has been included in the Notice of the AGM. Your Directors commend the Resolution for your approval.

A brief resume of the Director being re-appointed forms part of the Notice of the ensuing AGM.

In terms of the provisions of Sections 2(51), 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Dilip Gaur, Managing Director, Mr. Sushil Agarwal, Whole-time Director and Chief Financial Officer, and Mrs. Hutokshi Wadia, President and Company Secretary, are the Key Managerial Personnel of your Company.

During the financial year 2016-17, Mr. Dilip Gaur, Managing Director, and Mr. Sushil Agarwal, Whole-time Director and Chief Financial Officer of the Company, have not received any commission/remuneration from your Company's holding or subsidiary Companies.

FORMAL ANNUAL EVALUATION

The evaluation framework for assessing the performance of Directors of your Company, *inter alia*, comprises of contributions at the meetings, strategic perspective or inputs regarding the growth and performance of your Company.

Pursuant to the provisions of the Act and SEBI (LODR) and in terms of the Framework of the Board Performance Evaluation, the Nomination and Remuneration Committee and the Board have carried out an annual performance evaluation of its own performance, the performance of various Committees of the Board, individual Directors and the Chairman. The manner in which the evaluation has been carried out has been set out in the Corporate Governance Report, which forms an integral part of this Annual Report. The details of the programme for familiarisation of the Independent Directors of your Company are available on your Company's website, www.grasim.com.

MEETINGS OF THE BOARD

During the year ended 31st March 2017, five Board Meetings were held on 7th May 2016, 11th August 2016, 28th October 2016, 30th January 2017 and 13th February 2017. Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report.

DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act, read with Schedules and Rules issued thereunder and the SEBI (LODR).

DIRECTORS' RESPONSIBILITY STATEMENT

The audited accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. In terms of Sections 134(3)(c) and 134(5) of the Act, in relation to the Audited Financial Statements of the Company for the year ended 31st March 2017, the Directors of your Company hereby state that:

a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

b) the Directors have selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March 2017 and of the profit of your Company for the year ended on that date;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;

d) Annual Accounts have been prepared on a 'going concern' basis;

e) proper internal financial controls, laid down by the Directors, were followed by the Company, and that such internal financial controls are adequate and were operating effectively; and

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

AUDITORS AND AUDIT REPORTS

Presently, M/s. G. P. Kapadia & Co. and BSR & Co. LLP are the Joint Statutory Auditors of the Company. Pursuant to the provisions of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, M/s. G. P. Kapadia & Co. will be retiring as one of the Joint Statutory Auditors of your Company at the ensuing Annual General Meeting of the Company.

At its meeting held on 19th May 2017, the Board has appointed S R B C & Co., LLP, Chartered Accountants (ICAI Firm Registration No. 324982E), as one of the Joint

Statutory Auditors of the Company in place of M/s. G. P. Kapadia & Co., Chartered Accountants (Registration No. 104768W), the retiring Joint Statutory Auditors, for a period of five years, i.e., to hold office from the conclusion of this Annual General Meeting till the conclusion of Seventy-fifth Annual General Meeting of the Company, to be held in the year 2022, subject to the approval of the Members, at such remuneration as may be mutually agreed between the Board of Directors of the Company and S R B C & Co, LLP. BSR & Co. LLP will continue to hold office till the conclusion of the Seventy-fourth Annual General Meeting of the Company, to be held in the year 2021, subject to the ratification by the Members in each Annual General Meeting.

Consent of the Auditors and certificate u/s 139 of the Act have been obtained from each of the Auditors to the effect that their appointment/ratification, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (LODR), BSR & Co. LLP and S R B C & Co, LLP have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Board places on record its appreciation for the contribution of M/s. G. P. Kapadia & Co., Chartered Accountants, during their tenure as one of the Joint Statutory Auditors of your Company.

The observations made by the Statutory Auditors on the Financial Statements of the Company, in their Report for the financial year ended 31st March 2017, read with the explanatory notes therein, are self-explanatory and, therefore, do not call for any further explanations or comments from the Board under Section 134(3)(f) of the Act. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended, Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, your Board at its meeting held on 19th May 2017, has, on the recommendation of the Audit Committee, re-appointed M/s. D. C. Dave & Co., Cost Accountants, Mumbai, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18 at a remuneration not exceeding ₹ 10,00,000/- (Rupees Ten Lakh Only), plus applicable taxes and reimbursement of actual out-of-pocket expenses in connection with the audit. Your Company has received consent from M/s. D. C. Dave & Co., Cost Accountants, to act as the Cost Auditors of your Company for the financial year 2017-18 along with a certificate confirming their independence.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed M/s. BNP & Associates, Company Secretaries, Mumbai, to conduct the secretarial audit for the financial year 2016-17. The Secretarial Audit Report, issued by M/s. BNP & Associates, Company Secretaries for the financial year 2016-17, forms part of this Report, and is set out in **Annexure 'D'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DISCLOSURES

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Act, an extract of the Annual Return of the Company for the financial year ended 31st March 2017, is given in **Annexure 'E'** to this Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, all contracts/ arrangements/transactions entered into by your Company with Related Parties were on arm's length basis and in the ordinary course of business. There are no material transactions with any Related Party as defined under Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014. All Related Party transactions have been approved by the Audit Committee of your Company. Omnibus approvals are taken for transactions which are repetitive nature. Your Company has implemented Related Party transaction manual and Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

Since all the contracts/arrangements/transactions with Related Parties, during the year under review, were in the ordinary course of business and at arm's length and were not considered material, disclosure in Form AOC-2 under Section 134(3)(h) of the Act, read with the Companies (Accounts of Companies) Rules, 2014, is not applicable. The details of contracts and arrangements with Related Parties of your Company for the financial year ended 31st March 2017, are given in Note 4.5.4 to the Standalone Financial Statements, forming part of this Annual Report.

The Policy on Related Party Transactions, as approved by the Board, is available on your Company's website, www.grasim.com.

RISK MANAGEMENT

You Company recognises that risk is an integral part of business, and is committed to managing the risk in a pro-active and efficient manner. Your Company's Risk Management Committee periodically assesses the risks in the internal and external environment, along with the cost of mitigating risk and incorporates Risk Mitigation Plans in its strategy, business and operation plans. Your Company has a comprehensive risk management policy/ framework, which is reviewed by the Risk Management Committee. More details on risk management are covered in the Management Discussion and Analysis forming part of this Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has established a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company, which is in compliance with the provisions of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and SEBI (LODR). The Policy provides for framework and process, for the employees and directors to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal. Adequate safeguards are provided against victimisation to those who avail of the mechanism, and access to the Chairman of the Audit Committee in exceptional cases is provided to them. The details of the Vigil Mechanism are also provided in the Corporate Governance Report, and the Whistle Blower Policy has been uploaded on the website of the Company, www.grasim.com.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has a Corporate Social Responsibility (CSR) Committee, which is chaired by Mrs. Rajashree Birla. The other Members of the Committee are Mr. B. V. Bhargava, Mr. Shailendra K. Jain and Mr. Dilip Gaur. Dr. Pragnya Ram, Group Executive President, Corporate Communication and CSR, is a permanent invitee to the Committee. The Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the Company, is available on your Company's website, www.grasim.com.

The Company is a caring corporate citizen and lays significant emphasis on development of the host communities around which it operates. The Company, with this intent, has identified several projects relating to Social Empowerment and Welfare, Infrastructure Developments, Sustainable Livelihood, Health Care and Education, during the year, and initiated various activities in neighbouring villages around its plant locations. The work on several initiatives has picked up momentum during the year, resulting in a spend of ₹ 18.06 Crore (2.29% of the average net profits of the last 3 years, as defined for the purposes of CSR). The Company has identified promotion and development of handloom, handicrafts, and related projects, the work which was started in earlier years will be intensified in the current year.

The Annual Report on CSR activities is given in **Annexure 'F'** to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, is given in **Annexure 'G'** to this Report.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial control system commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, safe keeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations. During the year under review, no material or serious observation has been received from the Auditors of the Company, citing inefficiency or inadequacy of such controls.

REMUNERATION POLICY

The Remuneration Policy of your Company, as formulated by the Nomination and Remuneration Committee of the Board of Directors, is given in **Annexure 'H'** to this Report.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

With Mr. R. C. Bhargava ceasing to be a Director on the Board of your Company, the Audit Committee has been re-constituted and now comprises of Mr. Arun Thiagarajan, Mr. B. V. Bhargava, and Mr. M. L. Apte, all Independent Directors, as its members. Mr. Dilip Gaur, Managing Director, and Mr. Sushil Agarwal, Whole-time Director and Chief Financial Officer, are the permanent invitees to the meetings of the Audit Committee.

With effect from 30th January 2017, Mr. Arun Thiagarajan has been appointed as Chairman of Audit Committee in place of Mr. B. V. Bhargava, who continues to be a member of the Audit Committee.

Further details relating to the Audit Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

All the recommendations made by the Audit Committee, during the year, were accepted by the Board of Directors of the Company.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mr. M. L. Apte, Mr. Cyril Shroff and Mr. Kumar Mangalam Birla as its members. Further details relating to the Nomination and Remuneration Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of Mrs. Rajashree Birla, Mr. B. V. Bhargava, Mr. Shailendra K. Jain and Mr. Dilip Gaur as its members. Further details relating to the Corporate Social Responsibility Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprises of Mr. B. V. Bhargava, Mr. M. L. Apte, Mr. Cyril Shroff and Mr. Sushil Agarwal as its members. Further details of the Stakeholders' Relationship Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

RESEARCH AND DEVELOPMENT

The portfolio of technology projects continues to aim at addressing competitive market challenges in the areas of product quality, cost reduction and new product offerings. In addition to pursuing step-change technologies during FY 2016-17, your Company is increasingly focused on taking developments from the laboratory through scale-up and plant implementation.

PULP AND FIBRE BUSINESS

The centralised Clonal Production Centre (CPC) produced 75 Lakh clonal plantlets for use in various planting programmes like farm forestry, agroforestry, and social forestry. Emphasis was on distribution of site specific, high yielding and diseases resistant clonal plants, to encourage plantation to support wood supply to pulp plant in future years.

The Pulp R&D capabilities are relatively small, and, until recently, have focused on local Domsjo speciality product developments. They have had significant successes in this area with the commercial demonstration of higher priced, speciality pulp products for high strength filament rayon applications and food casing products. The group has also been expanding their work, in conjunction with the Pulp CTC and local contract R&D resources, co-located at different sites, to improve viscosity control during pulp manufacture. Improved viscosity control is a key to further VSF quality enhancements. The Pulp R&D group has also worked across the network of pulp sites to improve the application uniformity and cost of additives critical to viscose manufacturing performance. Key additional areas of focus for future work include: quality enhancements through continued advances in viscosity control and reductions in pulp contaminant levels, cost reduction through process developments lowering chemical costs, improving wood yields, increasing plant productivity and improvements, leading to more uniform viscose processing, technologies for improved environmental performance.

With an objective of guiding improvement in product quality towards global benchmark quality levels, a Quality Initiative based on Six Sigma techniques starting with monitoring of the First Pass Yield (FPY) was launched in the year 2012-13. While customer experience has improved with implementation of FPY across all lines, a classification criteria based on customer experience is being developed for distinguishing fibre production lines that still need further improvement. This will involve relating process capability of customer and fibre production processes. Further, an Uptime metric has been designed to focus on equipment reliability that determines consistency of material flow, impacting both the fibre properties and the plant effectiveness.

Further, the pulp and fibre plants are being connected seamlessly through digitisation initiative. Such access to the feed pulp quality data will help the fibre plants to accordingly adjust the processes in real-time. While this will help enhance product consistency at fibre plant, knowledge of this will provide as feedback to pulp plant to further enhance customer critical attributes.

For VSF fibre production facilities, raw material and energy consumption reductions are the prime focus areas for improving production costs in existing processes. Commercial implementation of technologies previously developed have allowed us to meet the improvement targets we set last year. Technology advances, in further reducing raw material utilisation, have been demonstrated at the Fibre Research Centre (FRC) facility, thereby laying the groundwork for implementing new targets for next year. Value-added product developments continue to fill and move through our pipeline. New programmes aimed at improving fibre quality and performance are leading to advances for these more environmentally friendly products, which reduce waste effluent and water consumption down the value chain.

The Textile Research and Applications Development Centre (TRADC) continues as an important contributor to the business development process across the fashion seasons. TRADC creates and fabricates new product concepts and styles highlighting the unique values that VSF offers, enabling Marketing to create ongoing excitement for these products. Increased knowledge of these properties has been used to design and position with customers, new offerings for sportswear and home textiles. The launch of Modal Liva Crème, one of these developments, was supported with a technical bulletin, which communicates the quantitative benefits of this concept to customers and down-stream value chain partners, which supports their marketing programmes.

Progress was made toward the in-house technology development initiative for the Excel® project. Optimum pulp characteristics and process parameters for improving the fibre mechanical properties were also identified. In addition, basic data were developed to achieve step-change improvements in the solvent recovery area.

Enabling Capabilities

In Pulp and Fibre Business, significant laboratory, semi-works and commercial scale-up capabilities have been put in-place. A very capable group of research professionals from multiple disciplines have been hired and developed into an effective team able to carry out independent development projects. The business is now beginning to realise significant benefits from this innovation capability through the recent commercialisation of new Pulp and VSF technologies. The continuing development of basic data supporting existing and future Excel production facilities provides the basis for this step-change technology capability. We continue to improve our programme portfolio and its execution in collaboration with the Operations and Marketing teams to better support the business objectives.

CHEMICAL BUSINESS

Your Company's Chemical business puts equal focus on performance engines and innovation initiatives. To ensure right balance, dedicated resources are deployed for innovative initiatives whereever required and shared, resources are deployed where it is necessary to have interdependencies.

Performance engines focus on business performance for growth and competitive advantage through rigorous and robust review mechanism for improvements on energy, environment and resource conservation. These include:

i) technology upgradation to 6th generation electrolysers

ii) timely replacement of key spares through predictive and pro-active maintenance practices;

iii) resource conservations and water through the usage of washer and super washed salt a major raw material; and

iv) improving the efficiencies of ethical drives and mechanical drives and utilities, such as water through recycling and steam by installation of CPUs (Condensate polishing units)

Innovation initiatives focus on new product developments based on market intelligence and market feedback, prospectively, and product variants based on specific segments of customers feedback. These include Chlor Alkali as well as valued-added products from Chlorine

i) recovery of product from Liquid wastes of phosphoric acid such as calcium chloride;

ii) elimination of barium carbonate and recovery sodium sulphate from brine stream and developing;

iii) PAC, SBP and Chlorine gas for new applications for handling water and waste water for dye industry, pulp and paper industry, sewage treatment and municipal waste waters; and

iv) product variants of chlorinated paraffins to meet different segments and specific customers based on the specific quality requirements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR, TO WHICH THE FINANCIAL STATEMENT RELATES, AND THE DATE OF THE REPORT

Except as disclosed elsewhere in this Report, no material changes and commitments, which could affect the Company's financial position, have occurred between the end of the financial year of the Company and the date of this Report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set off in the aforesaid Rules, are to be set out in the Board's Report, as an annexure thereto. In line with the provisions of Section 136(1) of the Act, the Report and Accounts, as set out therein, are being sent to all the Members of your Company, excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Registered Office of your Company. The aforesaid addendum is also available for inspection by the members at the Registered Office of the Company 21 days before the AGM and upto the date of the ensuing AGM, during business hours on working days.

Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 'H'** to this Report.

EMPLOYEE STOCK OPTION SCHEMES (ESOS)

Your Company has Employee Stock Option Scheme-2006 (ESOS-2006) and Employee Stock Option Scheme-2013 (ESOS-2013) which provides for grant of Stock Options and/or Restricted Stock Units (RSUs) to eligible employees of the Company.

The Shareholders have approved ESOS-2006 through postal ballot on 20th January 2007, and ESOS-2013 at the 66th Annual General Meeting of the Company held on 17th August 2013.

The details of Employee Stock Options granted pursuant to ESOS-2006 and the Employee Stock Options and RSUs granted pursuant to ESOS-2013, as also the other disclosures in compliance with the provisions of the Securities and Exchange Board of India (Employee Share Based Employee Benefits) Regulations, 2014, are available on the Company's website, www.grasim.com.

A certificate from M/s. G. P. Kapadia & Co., Chartered Accountants, the Statutory Auditors, on the implementation of your Company's Employee Stock Option Schemes will be placed at the ensuing AGM for inspection by the Members, and a copy will also be available for inspection at the Registered Office of the Company.

HUMAN RESOURCES

Your Company believes that its knowledge capital will drive growth and profitability. Your Company enjoys a strong brand image as a preferred and caring employer. The ongoing focus is on attracting, retaining and engaging talent with the objective of creating a robust talent pipeline at all levels. Value-based HR programmes have enabled your Company's HR team to be strategic partners for the business. Your Company laid stress to build a women-friendly workplace by introducing various initiatives around development and progression of women employees in the organisation. Your Company has focused on internal talent and nurture them through the culture of continuous learning and development, thereby building capabilities for creating future leaders. Your Company continues to work to strengthen the 'World of Opportunities' employee positioning initiatives like a hiring freeze at some levels, robust talent review, career development conversations and best-in-class development opportunities, which will help to enhance the employee experience at your Company.

The Group's Corporate Human Resources plays a critical role in your Company's talent management process.

AWARDS AND ACCOLADES

Some of the significant accolades earned by your Company during the year include:

- Oeko-Tex Certificate for Eco-labelling of Fibre by M/s. British Textiles Technology Group, England;
- Frost & Sullivan's Sustainability 4.0 Awards, 2016, for excellence in Sustainable Development for Safety Excellence & Challengers Category;
- Accreditation from Energy Management System as per EnMS ISO 50001:2011 Standards by TUV Nord, Germany;
- Manufacturing Today Awards – 2016 under the category of "Large - Excellence in Technology".
- "Certificate of Recognition" by Regulators & Policymakers Retreat under the category of "Innovation – 2016-2017".

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to employees of the Company under any Scheme save and except ESOS referred to in this report;
3. There were no revisions in the financial statements;
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future; and
5. No cases or complaints were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and support, and look forward to their continued support in future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

For and on behalf of the Board



Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Mumbai, 8th July 2017

ANNEXURE 'A' TO THE BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

Introduction

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy of the Company at its meeting held on 28th October, 2016.

The objective of this policy is to provide the dividend distribution framework to the stakeholders of the Company.

The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013, and Rules made thereunder, and other applicable legal provisions.

Target Dividend Payout

Dividend will be declared out of the current year's Profit after Tax of the Company.

Only in exceptional circumstances including, but not limited to, loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.

'Other Comprehensive Income' (as per applicable Accounting Standards), which mainly comprises of unrealized gains/ losses, will not be considered for the purpose of declaration of dividend.

The Board will endeavour to achieve a dividend payout ratio (including dividend distribution tax) in the range of 25% to 45% of the Standalone Profit after Tax, net of dividend payout to preference shareholders, if any. Subject to the dividend payout range mentioned above, the Board will strive to pass on the dividend received from Material Subsidiaries, Joint Ventures and Associates (as defined in the Companies Act, 2013).

Factors to be Considered for Dividend Payout

The Board will consider various internal and external factors, including, but not limited to, the following before making any recommendation for dividends:

- Stability of earnings
- Cash flow from operations
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Leverage profile and capital adequacy metrics
- Overall economic/regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans

General

Retained earnings will be used *inter alia* for the Company's growth plans, working capital requirements, debt repayments and other contingencies.

If the Board decides to deviate from this policy, the rationale for the same will be suitably disclosed. This policy would be subject to revision/amendment on a periodic basis, as may be necessary. This policy (as amended from time to time) will be available on the Company's website and in the Annual Report.

ANNEXURE 'B' TO THE BOARD'S REPORT

STATEMENT CONTAINING SALIENT FEATURES: PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013 READ WITH RULE (5) OF THE COMPANIES (ACCOUNTS) RULES, 2014

Part "A" – Subsidiaries

(₹ in Crore)

Sr. No.	Name of the Subsidiary Companies	Year	Currency	Share Capital (including Share Application Money)	Reserves and Surplus (Net of Debit Balance of Profit and Loss Account)	Total Assets (Non-Current Assets + Current Assets + Deferred Tax Assets) excluding Current and Non-Current Investments	Total Liabilities (Non-Current Liabilities + Current Liabilities + Deferred Tax Liabilities)	Details of Current and Non-Current Investments (excluding Investments in Subsidiary Companies)- Treasury Bill	Gross Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of Shareholding
1	Samruddhi Swastik Trading And Investments Limited	**2016-17**	₹	**6.50**	**38.61**	**19.29**	**1.03**	**26.85**	**-**	**4.61**	**1.16**	**3.45**		**100%**
		2015-16		6.50	35.41	6.44	0.87	36.34	-	4.13	0.82	3.31	-	100%
2	Sun God Trading And Investments Limited	**2016-17**	₹	**0.05**	**0.45**	**-**	**-**	**0.50**	**-**	**0.04**	**0.01**	**0.03**		**100%**
		2015-16		0.05	0.42	0.03	-	0.44	-	0.03	0.01	0.02	-	100%
3	Aditya Birla Chemicals (Belgium) BVBA	**2016-17**	**Euro**	**6,200**	**(0.03)**	**0.05**	**0.09**	**-**	**0.06**	**(0.02)**	**-**	**(0.02)**	**-**	**99.97%**
			₹	0.04	(2.38)	3.65	5.99	-	4.17	(1.70)	-	(1.70)	-	99.97%
		2015-16	Euro	6,200	(0.01)	0.05	0.06	-	0.01	(0.01)	-	(0.01)		99.97%
			₹	0.05	(0.85)	4.09	4.89	-	1.08	(0.81)	-	(0.81)		99.97%
4	Grasim Bhiwani Textiles Limited (GBTL)	**2016-17**	₹	**20.05**	**75.30**	**270.45**	**175.10**	**-**	**368.53**	**(1.70)**	**(0.74)**	**(0.96)**	**-**	**100%**
		2015-16		20.05	76.99	281.84	184.80	-	396.53	(8.01)	2.30	(10.31)	-	100%
5	UltraTech Cement Limited (UTCL) - (Standalone)	**2016-17**	₹	**274.51**	**23,666.50**	**31,872.42**	**15,340.08**	**7,408.67**	**26,886.73**	**3,775.95**	**1,148.23**	**2,627.72**	**-**	**60.23%**
		2015-16		274.43	21,357.40	32,497.39	16,658.74	5,793.18	26,678.57	3,298.56	928.40	2,370.16	-	60.25%
6	Dakshin Cements Limited	**2016-17**	₹	**0.05**	**(0.05)**	**37,774**	**43,734**	**-**	**-**	**-**	**-**	**-**	**-**	**60.23%**
		2015-16		0.05	(0.05)	37,774	43,734	-	-	(6,991.00)	-	(6,991.00)	-	60.25%
7	Harish Cement Limited	**2016-17**	₹	**0.25**	**153.48**	**156.10**	**2.37**	**-**	**-**	**-**	**-**	**-**	**-**	**60.23%**
		2015-16		0.25	153.48	156.13	2.40	-	-	-	-	-	-	60.25%

(₹ in Crore)

Sr. No.	Name of the Subsidiary Companies	Year	Currency	Share Capital (including Share Application Money)	Reserves and Surplus (Net of Debit Balance of Profit and Loss Account)	Total Assets (Non-Current Assets + Current Assets + Deferred Tax Assets) excluding Current and Non-Current Investments	Total Liabilities (Non-Current Liabilities + Current Liabilities + Deferred Tax Liabilities)	Details of Current and Non-Current Investments (excluding Investments in Subsidiary Companies)- Treasury Bill	Gross Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of Shareholding
8	Gotan Limestone Khanij Udyog Pvt. Ltd.	**2016-17**	₹	**2.33**	**19.10**	**22.83**	**1.40**	**-**	**-**	**(0.52)**	**-**	**(0.52)**	**-**	**60.23%**
		2015-16		2.33	19.62	23.36	1.41	-	-	(0.76)	0.04	(0.80)	-	60.25%
9	Bhagwati Lime Stone Company Pvt. Ltd.	**2016-17**	₹	**0.01**	**1.81**	**1.92**	**0.10**	**-**	**-**	**(0.09)**	**-**	**(0.09)**	**-**	**60.23%**
		2015-16		0.01	1.89	2.00	-	-	-	-	-	-	-	60.25%
10	UltraTech Cement Lanka Pvt. Ltd.	**2016-17**	**SLR**	**50.00**	**153.56**	**308.36**	**104.80**	**-**	**1,266.26**	**84.48**	**21.08**	**63.40**	**-**	**48.18%**
			₹	21.28	65.34	128.16	41.53	-	575.57	38.40	9.59	28.81	-	48.18%
		2015-16	SLR	50.00	127.46	249.03	71.57	-	1,078.84	74.13	20.29	53.84	-	48.20%
			₹	22.76	58.01	114.99	34.22	-	508.13	34.91	9.55	25.36	-	48.20%
11	UltraTech Cement Middle East Investment Ltd. (Standalone)	**2016-17**	**AED**	**25.13**	**18.19**	**123.43**	**80.11**	**-**	**-**	**(1.75)**	**-**	**(1.75)**	**-**	**60.23%**
			₹	443.44	321.01	2,178.13	1,413.67	-	-	(31.86)	-	(31.86)	-	60.23%
		2015-16	AED	23.52	17.31	121.23	80.40	-	-	19.28	-	19.28	-	60.25%
			₹	424.12	312.23	2,186.23	1,449.88	-	-	350.04	-	350.04	-	60.25%
12	Star Cement Co. LLC, Dubai	**2016-17**	**AED**	**1.50**	**(14.81)**	**40.21**	**53.52**	**-**	**28.95**	**(1.09)**	**-**	**(1.09)**	**-**	**60.23%**
			₹	26.47	(261.38)	709.50	944.41	-	528.55	(19.90)	-	(19.90)	-	60.23%
		2015-16	AED	5.09	(13.71)	40.43	49.04	-	31.87	1.15	-	1.15	-	60.25%
			₹	91.76	(247.17)	729.01	884.42	-	578.62	20.90	-	20.90	-	60.25%
13	Arabian Cement Industry LLC, Abu Dhabi	**2016-17**	**AED**	**1.00**	**(5.56)**	**17.72**	**22.28**	**-**	**18.92**	**(1.19)**	**-**	**(1.19)**	**-**	**60.23%**
			₹	17.65	(98.13)	312.72	393.20	-	345.32	(21.74)	-	(21.74)	-	60.23%
		2015-16	AED	1.00	(4.37)	19.79	23.16	-	21.75	0.98	-	0.98	-	60.25%
			₹	18.03	(78.77)	356.95	417.69	-	394.95	17.84	-	17.84	-	60.25%

(₹ in Crore)

Sr. No.	Name of the Subsidiary Companies	Year	Currency	Share Capital (including Share Application Money)	Reserves and Surplus (Net of Debit Balance of Profit and Loss Account)	Total Assets (Non-Current Assets + Current Assets + Deferred Tax Assets) excluding Current and Non-Current Investments	Total Liabilities (Non-Current Liabilities + Current Liabilities + Deferred Tax Liabilities)	Details of Current and Non-Current Investments (excluding Investments in Subsidiary Companies)- Treasury Bill	Gross Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of Shareholding
14	**Star Cement Co. LLC, Ras Al Khaimah**	**2016-17**	**AED**	**0.50**	**10.73**	**95.75**	**84.53**	**-**	**36.97**	**4.80**	**-**	**4.80**	**-**	**60.23%**
			₹	8.82	189.26	1,689.69	1,491.60	-	674.90	87.70	-	87.70	-	60.23%
		2015-16	AED	14.36	4.32	89.22	70.54	-	34.55	2.90	-	2.90	-	60.25%
			₹	258.99	77.91	1,608.97	1,272.07	-	627.25	52.68	-	52.68	-	60.25%
15	**Al Nakhla Crushers LLC, Fujairah**	**2016-17**	**AED**	**0.20**	**0.88**	**5.20**	**4.13**	**-**	**4.23**	**1.16**	**-**	**1.16**	**-**	**60.23%**
			₹	3.53	15.46	91.81	72.82	-	77.24	21.14	-	21.14	-	60.23%
		2015-16	AED	0.20	(0.28)	5.46	5.55	-	4.25	1.21	-	1.21	-	60.25%
			₹	3.61	(5.08)	98.55	100.03	-	77.10	21.94	-	21.94	-	60.25%
16	**Arabian Gulf Cement Company WLL, Bahrain**	**2016-17**	**Bahrain Dirham (BHD)**	**0.03**	**1.10**	**1.42**	**0.29**	**-**	**1.17**	**0.20**	**-**	**0.20**	**-**	**60.23%**
			₹	5.16	188.79	243.54	49.59	-	208.79	36.45	-	36.45	-	60.23%
		2015-16	Bahrain Dirham (BHD)	0.03	0.89	1.02	0.10	-	1.10	0.14	-	0.14	-	60.25%
			₹	5.27	155.68	179.08	18.13	-	193.91	24.96	-	24.96	-	60.25%
17	**Emirates Cement Bangladesh Ltd., Bangladesh**	**2016-17**	**Takka**	**158.93**	**(103.59)**	**239.72**	**184.38**	**-**	**257.82**	**5.71**	**1.55**	**4.16**	**-**	**60.23%**
			₹	129.24	(84.24)	194.94	149.94	-	219.99	4.87	1.32	3.55	-	60.23%
		2015-16	Takka	158.93	(107.62)	222.62	171.32	-	187.38	(4.83)	0.62	(5.45)	-	60.25%
			₹	134.42	(91.02)	188.29	144.89	-	159.89	(4.12)	0.53	(4.65)	-	60.25%
18	**Emirates Power Company Ltd., Bangladesh**	**2016-17**	**Takka**	**27.00**	**(21.16)**	**19.72**	**13.88**	**-**	**2.70**	**-**	**-**	**-**	**-**	**60.23%**
			₹	21.95	(17.20)	16.04	11.29	-	2.30	-	-	-	-	60.23%
		2015-16	Takka	27.00	(21.15)	20.84	14.99	-	4.47	-	-	-	-	60.25%
			₹	22.83	(17.89)	17.62	12.68	-	3.81	-	-	-	-	60.25%

(₹ in Crore)

Sr. No.	Name of the Subsidiary Companies	Year	Currency	Share Capital (including Share Application Money)	Reserves and Surplus (Net of Debit Balance of Profit and Loss Account)	Total Assets (Non-Current Assets + Current Assets + Deferred Tax Assets) excluding Current and Non-Current Investments	Total Liabilities (Non-Current Liabilities + Current Liabilities + Deferred Tax Liabilities)	Details of Current and Non-Current Investments (excluding Investments in Subsidiary Companies)- Treasury Bill	Gross Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of Shareholding
19	**Awam Minerals LLC, Sultanate of Oman**	**2016-17**	**Omani Riyal**	**0.05**	**(0.09)**	**0.11**	**0.16**	**-**	**0.21**	**(0.05)**	**-**	**(0.05)**	**-**	**30.72%**
			₹	7.65	(15.12)	18.87	26.33	-	36.20	(8.55)	-	(8.55)	-	30.72%
		2015-16	Omani Riyal	0.05	(0.04)	0.16	0.15	-	0.17	(0.03)	-	(0.03)	-	30.73%
			₹	7.81	(7.00)	26.82	26.01	-	29.30	(4.56)	-	(4.56)	-	30.73%
20	**PT UltraTech Mining, Indonesia**	**2016-17**	**Indonesian Rupee**	**1,158.90**	**(1,037.47)**	**121.43**	**-**	**-**	**-**	**(1,028.41)**	**-**	**(1,028.41)**	**-**	**48.18%**
			₹	5.64	(5.06)	0.58	-	-	-	(5.21)	-	(5.21)	-	48.18%
		2015-16	Indonesian Rupee	1,158.90	(9.06)	1,149.84	-	-	-	9.01	-	9.01	-	48.20%
			₹	5.80	(0.05)	5.75	-	-	-	0.04	-	0.04	-	48.20%
21	**PT UltraTech Investment, Indonesia**	**2016-17**	**Indonesian Rupee**	**1,992.40**	**37.51**	**2,037.45**	**7.54**	**-**	**-**	**(0.30)**	**-**	**(0.30)**	**-**	**60.23%**
			₹	9.70	0.18	9.92	0.04	-	-	(0.00)	-	(0.00)	-	60.23%
		2015-16	Indonesian Rupee	1,992.40	37.81	2,037.75	7.54	-	-	(1.42)	-	(1.42)	-	60.25%
			₹	9.97	0.19	10.19	0.04	-	-	(0.01)	-	(0.01)	-	60.25%
22	**PT UltraTech Cement, Indonesia**	**2016-17**	**Indonesian Rupee**	**2,033.46**	**(1,439.37)**	**596.38**	**2.28**	**-**	**-**	**(1,180.92)**	**-**	**(1,180.92)**	**-**	**59.63%**
			₹	9.90	(7.01)	2.90	0.01	-	-	(5.97)	-	(5.97)	-	59.63%
		2015-16	Indonesian Rupee	2,033.46	(258.45)	1,775.01	-	-	-	(201.44)	-	(201.44)	-	59.65%
			₹	10.17	(1.29)	8.88	-	-	-	(0.97)	-	(0.97)	-	59.65%

Part "B" : Joint Ventures/Associates

(₹ in Crore)

Sr. No.	Name of the Associates/ Joint Ventures	AV Group NB Inc.	Birla Jingwei Fibres Co. Limited	Birla Lao Pulp & Plantations Company Limited	Bhubaneswari Coal Mining Limited	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	Aditya Group AB	AV Terrace Bay Inc. (AVTB)@	Bhaskarpara Coal Company Limited $	Madanpur (North) Coal Company Private Limited #$	Aditya Birla Science & Technology Co. Private Ltd #	Idea Cellular Limited #
1	Latest Audited Balance Sheet Date	31st March, 2017	31st March, 2017	31st December, 2016	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017
2	Share of Joint Venture held by the Company on year end											
	i) Number of Shares											
	Equity Shares	204,750	NA	19,520	33,540,000	16,665	50	28,000,000	4,903,191	694,425	7,799,500	171,013,894
	Preference Shares	6,750,000	-	-	-	-	160,000	-	-	-	-	-
	ii) Amount of Investments in Joint Ventures/Associates	173.62	117.40	95.71	33.54	0.47	317.26	156.36	4.90	0.69	7.80	171.01
	iii) Extent of Holding (%)	45%	26.63%	40%	26%	33.33%	33.33%	40%	28.53%	6.73%	39%	4.74%
3	Networth attributable to shareholding as per latest audited Balance Sheet	421.34	60.27	70.07	75.30	4.46	340.55	-	4.46	0.63	10.79	1,166.07
4	Profit/(Loss) for the year	163.00	133.57	(2.53)	51.19	12.15	68.80	(76.80)	0.03	0.05	0.36	(399.70)
	i) Considered in Consolidation $$	73.35	35.57	(1.01)	13.31	4.05	22.93	-	-	0.01	0.14	(18.95)
	ii) Not considered in Consolidation	89.65	98.00	(1.52)	37.88	8.10	45.87	(76.80)	0.02	0.04	0.22	(380.75)

Represents Associates.

@ The Company has discontinued recognising its share of further losses as it exceeds the Company's interest in AVTB as per Ind AS 28.

* Excluding Provision for Impairment in Non-Current Investment of ₹ 55.43 Crore.

$ Joint Venture and Associate of UltraTech: Numbers are propornate to the extent of the Company's interest through UltraTech.

$$ After elimination of unrealised profit (Net) on intra-group transactions.

ANNEXURE 'C' TO THE BOARD'S REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF GRASIM INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Grasim Industries Limited for the year ended on 31st March 2017, as stipulated under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

The compliance of the condition of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of SEBI Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For G. P. Kapadia & Co.
Chartered Accountants
(Registration No. 104768W)

Atul B. Desai
Partner
Membership No. 30850

Place: Mumbai
Date: 19th May, 2017

ANNEXURE 'D' TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to Section 204(1) of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Grasim Industries Limited
Birlagram Nagda – 456331
Ujjain, Madhya Pradesh

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Grasim Industries Limited** (hereinafter called 'the Company') for the audit period from 1st April 2016 to 31st March 2017 covering the financial year ended on 31st March 2017 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period, complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the audit period according to the provisions of:

i. The Companies Act, 2013 ('the Act'), and the Rules made thereunder and the companies Act, 1956 (to the extent applicable to the company);

ii. The Securities Contracts (Regulation) Act, 1956 (SCRA), and the Rules made thereunder;

iii. The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999, and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments and External Commercial Borrowings.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Share-Based Employee Benefits) Regulations, 2014; and

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

During the audit period under review, provisions of the following laws prescribed under the Form No. MR-3 were not applicable to the Company:

a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than 7 days, proper consent thereof were obtained, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company and at Committee thereof were carried through unanimously.

We further report that –

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that-

During the audit period, the Board of Directors of the Company at its meeting held on 11th August 2016, approved a Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

B. Narasimhan
Partner
FCS No. 1303
COP No. 10440

Place: Mumbai
Date: 19th May 2017

Note: This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this report.

Annexure I to the Secretarial Audit Report for the Financial Year ended 31st March 2017

To,
The Members,
Grasim Industries Limited
Birlagram Nagda – 456331
Ujjain, Madhya Pradesh

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Grasim Industries Limited** ('the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test-check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed provide a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations, and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

B. Narasimhan
Partner
FCS No. 1303
COP No. 10440

Place: Mumbai
Date: 19th May 2017

ANNEXURE 'E' TO THE BOARD'S REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L17124MP1947PLC000410
ii.	Registration Date	25th August 1947
iii.	Name of the Company	Grasim Industries Limited
iv.	Category/Sub-Category of the Company	Public Company limited by shares
v.	Address of the Registered Office and Contact Details	P.O. Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India Tel: (07366) 246760 – 255151 Fax: (07366) 244114/246024 Website: www.grasim.com/www.adityabirla.com E-mail: grasim.secretarial@adityabirla.com
vi.	Whether Listed Company (Yes/No)	Yes
vii.	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. "Karvy Selenium", Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel: +91 40 6716 2222; Fax: +91 40 2300 1153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of Main Products/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1.	Viscose Staple Fibre	20302	68.63%
2.	Chemicals	20116	30.63%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate of the Company	% of Shares Held	Applicable Section
1	UltraTech Cement Limited B-Wing, Ahura Centre, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai – 400093	L26940MH2000PLC128420	Subsidiary	60.23	2(87)
2	Grasim Bhiwani Textiles Limited 409, Cotton Exchange Building, Kalbadevi Road, Mumbai – 400002	U17120MH2007PLC173993	Subsidiary	100	2(87)
3	Samruddhi Swastik Trading and Investments Limited Birlagram, Nagda, Ujjain, Madhya Pradesh – 456331	U67120MP1994PLC008447	Subsidiary	100	2(87)
4	Sun God Trading and Investments Limited Birlagram, Nagda, Ujjain, Madhya Pradesh – 456331	U67120MP1994PLC008446	Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate of the Company	% of Shares Held	Applicable Section
5	Aditya Birla Chemicals (Belgium) BVBA	N. A.	Subsidiary	99.97	2(87)
6	Aditya Birla Science & Technology Company Private Limited Aditya Birla Centre, C-Wing, 1st Floor, S. K. Ahire Marg, Worli, Mumbai – 400030	U74200MH2006PTC158951	Associate	39	2(6)
7	Idea Cellular Limited Suman Tower, Plot No. 18, Sector-11, Gandhinagar, Gujarat – 382011	L32100GJ1996PLC030976	Associate	4.74	2(6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the Year (1st April, 2016) (reflects effect of Sub-Division)				No. of Shares held at the end of the Year (31st March, 2017) (reflects effect of Sub-Division)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individuals/ HUFs	6,66,860	-	6,66,860	0.14	**6,66,860**	-	**6,66,860**	**0.14**	0.00
a. Central Govt.	-	-	-	-	-	-	-	-	-
b. State Govt.(s)	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	12,05,96,095	-	12,05,96,095	25.84	**12,13,16,220**	-	**12,13,16,220**	**25.99**	-0.15
d. Banks/ FIIs	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-
Sub-Total - A(1)	**12,12,62,955**	-	**12,12,62,955**	**25.98**	**12,19,83,080**	-	**12,19,83,080**	**26.13**	**-0.15**
2. Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FIIs	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-
Sub-Total - A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding Promoters (A) = A(1) + A(2)	**12,12,62,955**	-	**12,12,62,955**	**25.98**	**12,19,83,080**	-	**12,19,83,080**	**26.13**	**-0.15**
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	4,13,48,395	3,48,395	4,13,87,090	8.87	**2,54,09,078**	**41,490**	**2,54,50,568**	**5.45**	3.42
b. Banks/FIIs	6,80,120	1,37,160	8,17,280	0.18	**12,78,967**	**1,14,310**	**13,93,277**	**0.30**	-0.12
c. Central Govt.	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the Year (1st April, 2016) (reflects effect of Sub-Division)				No. of Shares held at the end of the Year (31st March, 2017) (reflects effect of Sub-Division)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d. State Govt.(s)	-	1,250	1,250	0.00	-	-	-	0.00	0.00
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	3,78,79,465	17,430	3,78,96,895	8.12	3,53,61,741	17,930	3,53,79,671	7.58	0.54
g. FIIs	10,65,39,395	7,955	10,65,47,350	22.83	14,57,73,064	7,955	14,57,81,019	31.23	-8.40
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total - B(1)	**18,64,47,375**	**2,02,490**	**18,66,49,865**	**39.99**	**20,78,22,850**	**1,81,685**	**20,80,04,535**	**44.56**	**-4.57**
2. Non-Institutions									
a. Bodies Corporate	3,51,04,665	2,96,980	3,54,01,645	7.59	2,88,84,878	2,95,980	2,91,80,858	6.25	1.33
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,45,32,845	77,88,870	4,23,21,715	9.07	3,32,52,972	73,77,731	4,06,30,703	8.70	0.36
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	27,57,480	-	27,57,480	0.59	25,30,430	-	25,30,430	0.54	0.05
c. Others (specify)									
(i) NRIs (Rep.)	11,55,485	9,56,425	21,11,910	0.45	12,11,674	10,62,500	22,74,174	0.49	-0.03
(ii) NRIs (Non-Rep.)	7,09,800	1,29,235	8,39,035	0.18	5,82,442	-	5,82,442	0.12	0.06
(iii) Foreign Nationals	-	-	-	-	3,346	-	3,346	0.00	0.00
(iv) OCB	-	1,31,13,065	1,31,13,065	2.81	-	1,31,13,065	1,31,13,065	2.81	0.00
Sub-Total - B(2)	**7,42,60,275**	**2,22,84,575**	**9,65,44,850**	**20.69**	**6,64,65,742**	**2,18,49,276**	**88,31,501**	**18.92**	**1.77**
Total Public Shareholding B = B(1) + B(2)	**26,07,07,650**	**2,24,87,065**	**28,31,94,715**	**60.68**	**27,42,88,592**	**2,20,30,961**	**29,63,19,553**	**63.47**	**-2.80**
Total (A+B)	**38,19,70,605**	**2,24,87,065**	**40,44,57,670**	**86.66**	**39,62,71,672**	**2,20,30,961**	**41,83,02,633**	**89.60**	**-2.95**
C. Shares Held by Custodians for GDRs and ADRs									
Promoters and Promoter Group	2,40,11,520	-	2,40,11,520	5.14	2,40,11,520	-	2,40,11,520	5.14	0.00
Public	3,82,60,590	750	3,82,61,340	8.20	2,45,22,207	750	2,45,22,957	5.25	2.94
Total (C)	**6,22,72,110**	**750**	**6,22,72,860**	**13.34**	**4,85,33,727**	**750**	**4,85,34,477**	**10.39**	**2.94**
Grand Total (A+B+C)	**44,42,42,715**	**2,24,87,815**	**46,67,30,530**	**100.00**	**44,48,05,399**	**2,20,31,711**	**46,68,37,110**	**100.00**	

ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (reflects effect of Sub-Division)			Shareholding at the end of the year			Change in Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	%
1	Mr. Kumar Mangalam Birla	30,080	0.01	-	30,080	0.01	-	-	-
2	Aditya Vikram Kumar Mangalam Birla HUF	89,495	0.02	-	89,495	0.02	-	-	-
3	Mrs. Rajashree Birla	3,61,400	0.08	-	3,61,400	0.08	-	-	-
4	Mrs. Vasavadatta Bajaj	1,15,785	0.02	-	1,15,785	0.02	-	-	-
5	Mrs. Neerja Birla	70,100	0.02	-	70,100	0.02	-	-	-
6	M/s. Turquoise Investments and Finance Private Limited	2,95,41,705	6.33	-	2,95,41,705	6.33	-	-	-
7	Trapti Trading and Investments Private Limited	2,73,89,315	5.87	-	2,73,89,315	5.87	-	-	-
8	Pilani Investment and Industries Corporation Ltd.	2,16,23,340	4.63	-	2,23,43,465	4.79	-	7,20,125	0.15
9	TGS Investment and Trade Private Limited	1,38,75,520	2.97	-	1,38,75,520	2.97	-	-	-
10	Hindalco Industries Limited	1,52,46,850	3.27	-	1,52,46,850	3.27	-	-	-
11	Umang Commercial Company Pvt. Ltd.	80,04,115	1.71	-	80,04,115	1.71	-	-	-
12	IGH Holdings Private Limited	26,63,140	0.57	-	26,63,140	0.57	-	-	-
13	Manav Investment and Trading Co. Ltd.	10,26,535	0.22	-	10,26,535	0.22	100.00	-	-
14	Birla Institute of Technology Science Company Pvt. Ltd.	6,61,205	0.14	-	6,61,205	0.14	-	-	-
15	ECE Industries Ltd.	1,58,350	0.03	-	1,58,350	0.03	-	-	-
16	Birla Group Holdings Pvt. Limited	61,820	0.01	-	61,820	0.01	-	-	-
17	Birla Industrial Finance (India) Limited	45,800	0.01	-	45,800	0.01	-	-	-
18	Birla Consultants Limited	44,400	0.01	-	44,400	0.01	-	-	-
19	Birla Industrial Investments (India) Limited	9,725	0.00	-	9,725	0.00	-	-	-
20	Vikram Holdings Pvt. Ltd.	750	0.00	-	750	0.00	-	-	-
21	Rajratna Holdings Private Limited	670	0.00	-	670	0.00	-	-	-
22	Vaibhav Holdings Private Limited	670	0.00	-	670	0.00	-	-	-
23	Renuka Investments And Finance Limited	2,42,185	0.05	-	2,42,185	0.05	-	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change):

S. No.	Shareholder's Name	Shareholding at the beginning of the Year (reflects effect of Sub-Division)		Cumulative Shareholding during the Year (reflects effect of Sub-Division)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	**Pilani Investment and Industries Corporation Ltd.**				
	At the beginning of the Year	2,16,23,340	4.63	-	-
	Acquisition on 17.06.2016	1,29,170	0.03	2,17,52,510	4.66
	Acquisition on 24.06.2016	76,720	0.02	2,18,29,230	4.68
	Acquisition on 30.06.2016	5,14,235	0.11	2,23,43,465	4.79
	At the end of the Year	-	-	2,23,43,465	4.79

iv. Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the Year (reflects effect of Sub-Division)	Reason	Cumulative Shareholding during the Year (reflects effect of Sub-Division)	
		No. of Shares at the beginning (01.04.2016) (reflects effect of Sub-Division)/ end of the Year (31.03.2017)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	2,66,93,160	5.72	01-Apr-16	-	-	2,66,93,160	5.72
				08-Apr-16	(6,10,985)	Transfer	2,60,82,175	5.59
				15-Apr-16	(70,670)	Transfer	2,60,11,505	5.57
				03-Jun-16	(2,18,825)	Transfer	2,57,92,680	5.53
				10-Jun-16	(1,25,795)	Transfer	2,56,66,885	5.50
				17-Jun-16	(2,22,115)	Transfer	2,54,44,770	5.45
				24-Jun-16	(2,92,240)	Transfer	2,51,52,530	5.39
				22-Jul-16	(2,23,825)	Transfer	2,49,28,705	5.34
				29-Jul-16	(5,48,160)	Transfer	2,43,80,545	5.22
				05-Aug-16	(8,85,575)	Transfer	2,34,94,970	5.03
				12-Aug-16	(1,62,845)	Transfer	2,33,32,125	5.00
				18-Nov-16	2,00,000	Transfer	2,35,32,125	5.04
				25-Nov-16	9,60,809	Transfer	2,44,92,934	5.25
				02-Dec-16	16,21,095	Transfer	2,61,14,029	5.59
				09-Dec-16	10,31,692	Transfer	2,71,45,721	5.82
				16-Dec-16	1,40,745	Transfer	2,72,86,466	5.85
		2,72,86,466	5.84	31-Mar-17	-	-	2,72,86,466	5.84
2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.*	1,89,58,620	4.06	01-Apr-16	-	-	1,89,58,620	4.06
				08-Apr-16	94,575	Transfer	1,90,53,195	4.08
				15-Apr-16	82,395	Transfer	1,91,35,590	4.10
				22-Apr-16	3,520	Transfer	1,91,39,110	4.10
				29-Apr-16	1,87,440	Transfer	1,93,26,550	4.14

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the Year (reflects effect of Sub-Division)	Reason	Cumulative Shareholding during the Year (reflects effect of Sub-Division)	
		No. of Shares at the beginning (01.04.2016) (reflects effect of Sub-Division)/ end of the Year (31.03.2017)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				06-May-16	3,87,780	Transfer	1,97,14,330	4.22
				13-May-16	(1,10,060)	Transfer	1,96,04,270	4.20
				20-May-16	(13,430)	Transfer	1,95,90,840	4.20
				27-May-16	(15)	Transfer	1,95,90,825	4.20
				03-Jun-16	1,94,245	Transfer	1,97,85,070	4.24
				10-Jun-16	1,34,480	Transfer	1,99,19,550	4.27
				17-Jun-16	9,355	Transfer	1,99,28,905	4.27
				24-Jun-16	76,200	Transfer	2,00,05,105	4.29
				30-Jun-16	(41,500)	Transfer	1,99,63,605	4.28
				08-Jul-16	1,82,930	Transfer	2,01,46,535	4.32
				15-Jul-16	35,015	Transfer	2,01,81,550	4.32
				22-Jul-16	1,11,910	Transfer	2,02,93,460	4.35
				29-Jul-16	1,33,970	Transfer	2,04,27,430	4.38
				05-Aug-16	93,775	Transfer	2,05,21,205	4.40
				12-Aug-16	18,475	Transfer	2,05,39,680	4.40
				19-Aug-16	3,98,210	Transfer	2,09,37,890	4.49
				26-Aug-16	(24,690)	Transfer	2,09,13,200	4.48
				02-Sep-16	8,055	Transfer	2,09,21,255	4.48
				09-Sep-16	2,18,985	Transfer	2,11,40,240	4.53
				16-Sep-16	(56,835)	Transfer	2,10,83,405	4.52
				23-Sep-16	(1,01,965)	Transfer	2,09,81,440	4.49
				30-Sep-16	72,585	Transfer	2,10,54,025	4.51
				07-Oct-16	78,990	Transfer	2,11,33,015	4.53
				14-Oct-16	26,271	Transfer	2,11,59,286	4.53
				21-Oct-16	1,28,128	Transfer	2,12,87,414	4.56
				28-Oct-16	76	Transfer	2,12,87,490	4.56
				04-Nov-16	51,361	Transfer	2,13,38,851	4.57
				11-Nov-16	(45,343)	Transfer	2,12,93,508	4.56
				18-Nov-16	(37,144)	Transfer	2,12,56,364	4.55
				25-Nov-16	4,697	Transfer	2,12,61,061	4.55
				02-Dec-16	(2,67,152)	Transfer	2,09,93,909	4.50
				09-Dec-16	(3,66,991)	Transfer	2,06,26,918	4.42
				23-Dec-16	(11,315)	Transfer	2,06,15,603	4.42
				30-Dec-16	57,004	Transfer	2,06,72,607	4.43
				06-Jan-17	1,38,979	Transfer	2,08,11,586	4.46
				13-Jan-17	25,406	Transfer	2,08,36,992	4.46
				20-Jan-17	20,655	Transfer	2,08,57,647	4.47
				27-Jan-17	79,234	Transfer	2,09,36,881	4.49
				03-Feb-17	(1,32,577)	Transfer	2,08,04,304	4.46
				10-Feb-17	24,437	Transfer	2,08,28,741	4.46
				17-Feb-17	(2,08,28,741)	Transfer	0.00	0.00
		0.00	0.00	31-Mar-17	-	-	0.00	0.00

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the Year (reflects effect of Sub-Division)	Reason	Cumulative Shareholding during the Year (reflects effect of Sub-Division)	
		No. of Shares at the beginning (01.04.2016) (reflects effect of Sub-Division)/ end of the Year (31.03.2017)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
3	ABERDEEN GLOBAL INDIAN EQUITY LIMITED	1,53,36,730	3.29	01-Apr-16	-	-	1,53,36,730	3.29
				03-Jun-16	(7,50,000)	Transfer	1,45,86,730	3.13
				19-Aug-16	3,22,000	Transfer	1,49,08,730	3.19
				02-Sep-16	19,840	Transfer	1,49,28,570	3.20
				23-Sep-16	57,055	Transfer	1,49,85,625	3.21
				30-Sep-16	66,440	Transfer	1,50,52,065	3.22
				25-Nov-16	18,413	Transfer	1,50,70,478	3.23
				02-Dec-16	85,033	Transfer	1,51,55,511	3.25
				09-Dec-16	96,554	Transfer	1,52,52,065	3.27
				17-Mar-17	(3,55,000)	Transfer	1,48,97,065	3.19
		1,48,97,065	3.19	31-Mar-17	-	-	1,48,97,065	3.19
4	EUROPACIFIC GROWTH FUND #	86,39,770	1.85	01-Apr-16	-	-	86,39,770	1.85
				19-Aug-16	25,78,770	Transfer	1,12,18,540	2.40
				03-Feb-17	(24,11,239)	Transfer	88,07,301	1.89
		88,07,301	1.89	31-Mar-17	-	-	88,07,301	1.89
5	ABERDEEN EMERGING MARKETS FUND	84,57,080	1.81	01-Apr-16	-	-	84,57,080	1.81
				02-Sep-16	94,955	Transfer	85,52,035	1.83
				23-Sep-16	2,73,025	Transfer	88,25,060	1.89
		88,25,060	1.89	31-Mar-17	-	-	88,25,060	1.89
6	FIDELITY INVESTMENT TRUST - FIDELITY SERIES EMERGING MARKETS FUND	64,21,485	1.38	01-Apr-16	-	-	64,21,485	1.38
				06-May-16	53,060	Transfer	64,74,545	1.39
				20-May-16	(27,995)	Transfer	64,46,550	1.38
				27-May-16	(2,32,875)	Transfer	62,13,675	1.33
				30-Jun-16	(6,18,570)	Transfer	55,95,105	1.20
				01-Jul-16	(70,405)	Transfer	55,24,700	1.18
				08-Jul-16	(75,860)	Transfer	54,48,840	1.17
				15-Jul-16	(50,000)	Transfer	53,98,840	1.16
				22-July-16	(46,225)	Transfer	53,52,615	1.15
				14-Oct-16	(5,93,029)	Transfer	47,59,586	1.02
				21-Oct-16	(25,63,434)	Transfer	21,96,152	0.47
				28-Oct-16	(8,60,699)	Transfer	13,35,453	0.29

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the Year (reflects effect of Sub-Division)	Reason	Cumulative Shareholding during the Year (reflects effect of Sub-Division)	
		No. of Shares at the beginning (01.04.2016) (reflects effect of Sub-Division)/ end of the Year (31.03.2017)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				04-Nov-16	(3,25,321)	Transfer	10,10,132	0.22
				11-Nov-16	(5,17,831)	Transfer	4,92,301	0.11
				18-Nov-16	(4,58,156)	Transfer	34,145	0.01
				25-Nov-16	(34,145)	Transfer	0	0.00
		0	0.00	31-Mar-17	-	-	0	0.00
7	HDFC TRUSTEE COMPANY LIMITED - HDFC EQUITY FUND	51,71,115	1.11	01-Apr-16	-	-	51,71,115	1.11
				24-Jun-16	(3,53,500)	Transfer	48,17,615	1.03
				30-Jun-16	(3,00,000)	Transfer	45,17,615	0.97
				08-Jul-16	(4,18,500)	Transfer	40,99,115	0.88
				15-Jul-16	(4,50,000)	Transfer	36,49,115	0.78
				22-Jul-16	(50,000)	Transfer	35,99,115	0.77
				29-Jul-16	(2,75,000)	Transfer	33,24,115	0.71
				12-Aug-16	(34,000)	Transfer	32,90,115	0.70
				03-Mar-17	(21,08,000)	Transfer	11,82,115	0.25
				10-Mar-17	(11,82,115)	Transfer	0	0.00
		0	0.00	31-Mar-17	-	-	0	0.00
8	NEW WORLD FUND INC.	44,12,510	0.95	01-Apr-16	-	-	44,12,510	0.95
				22-Apr-16	40,700	Transfer	44,53,210	0.95
				29-Apr-16	96,670	Transfer	45,49,880	0.97
				03-Jun-16	9,94,875	Transfer	55,44,755	1.19
				17-Jun-16	95,525	Transfer	56,40,280	1.21
				24-Jun-16	80,000	Transfer	57,20,280	1.23
				09-Dec-16	(1,39,370)	Transfer	55,80,910	1.20
				16-Dec-16	(3,42,979)	Transfer	52,37,931	1.12
				20-Jan-17	(6,01,651)	Transfer	46,36,280	0.99
		46,36,280	0.99	31-Mar-17	-	-	46,36,280	0.99
9.	ABERDEEN EMERGING MARKETS EQUITY FUND, A SERIES OF THE ABERDEEN INSTITUTIONAL COMMINGLED FUNDS, LLC	41,86,340	0.90	01-Apr-16	-	-	41,86,340	0.90
				24-Mar-16	(2,81,000)	Transfer	39,05,340	0.84
		39,05,340	0.84	31-Mar-17	-	-	39,05,340	0.84

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the Year (reflects effect of Sub-Division)	Reason	Cumulative Shareholding during the Year (reflects effect of Sub-Division)	
		No. of Shares at the beginning (01.04.2016) (reflects effect of Sub-Division)/ end of the Year (31.03.2017)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
10	ABERDEEN GLOBAL – EMERGING MARKETS EQUITY FUND	40,01,370	0.86	01-Apr-16	-	-	40,01,370	0.86
				19-Aug-16	2,83,360	Transfer	42,84,730	0.92
				02-Sep-16	17,460	Transfer	43,02,190	0.92
				23-Sep-16	50,205	Transfer	43,52,395	0.93
		43,52,395	0.93	31-Mar-17	-	-	43,52,395	0.93
11	EUROPACIFIC GROWTH FUND #	0	0.00	01-Apr-16	-	-	0	0.00
				30-Sep-16	1,24,46,000	Transfer	1,24,46,000	2.67
				31-Mar-17	(15,50,000)	Transfer	1,08,96,000	2.33
		1,08,96,000	2.33	31-Mar-17	-	-	1,08,96,000	2.33
12	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED *	0	0.00	01-Apr-16	-	-	0	0
				17-Feb-17	1,61,65,290	Transfer	1,61,65,290	3.46
				24-Feb-17	(17,94,973)	Transfer	1,43,70,317	3.08
				03-Mar-17	(32,82,740)	Transfer	1,10,87,577	2.38
				10-Mar-17	(7,68,152)	Transfer	1,03,19,425	2.21
				17-Mar-17	(6,90,309)	Transfer	96,29,116	2.06
				24-Mar-17	(4,24,640)	Transfer	92,04,476	1.97
				31-Mar-17	(1,57,102)	Transfer	90,47,374	1.94
		90,47,374	1.94	31-Mar-17	-	-	90,47,374	1.94
13	GOVERNMENT OF SINGAPORE	16,11,905	0.35	01-Apr-16	-	-	16,11,905	0.35
				17-Jun-16	(1,80,960)	Transfer	14,30,945	0.31
				24-Jun-16	(13,745)	Transfer	14,17,200	0.30
				02-Sep-16	82,565	Transfer	14,99,765	0.32
				09-Sep-16	30,185	Transfer	15,29,950	0.33
				17-Feb-17	2,27,492	Transfer	17,57,442	0.38
				24-Feb-17	2,30,068	Transfer	19,87,510	0.43
				03-Mar-17	16,73,464	Transfer	36,60,974	0.78
				10-Mar-17	5,973	Transfer	36,66,947	0.79
				24-Mar-17	4,12,511	Transfer	40,79,458	0.87
				31-Mar-17	6,91,066	Transfer	47,70,524	1.02
		47,70,524	1.02	31-Mar-17	-	-	47,70,524	1.02

GDRs are converted into Shares

* Names are appearing twice because Shares are transferred from one folio to another.

v. Shareholding of Directors and Key Managerial Personnel:

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year (reflects effect of Sub-Division)		Cumulative Shareholding during the Year (reflects effect of Sub-Division)	
		No. of Shares	% of Total Shares of The Company	No. of Shares	% of Total Shares of The Company
1.	**Mr. Kumar Mangalam Birla (Director)**				
	At the beginning of the year	1,19,575*	0.03	1,19,575*	0.03
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	1,19,575*	0.03
2.	**Mrs. Rajashree Birla (Director)**				
	At the beginning of the year	3,61,400	0.08	3,61,400	0.08
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	3,61,400	0.08
3.	**Mr. M. L. Apte (Director)**				
	At the beginning of the year	650	0.00	650	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	650	0.00
4.	**Mr. B. V. Bhargava (Director)**				
	At the beginning of the year	1,785	0.00	1,785	0.00
	Acquisition on 19.08.2016	615	0.00	2,400	0.00
	At the end of the year	-	-	2,400	0.00
5.	**Mr. R. C. Bhargava (Ceased to be a Director, w.e.f. 1st October 2016)**				
	At the beginning of the year	1,135	0.00	1,135	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year		N.A.		
6.	**Dr. Thomas Martin Connelly Jr. (Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	0	0.00
7.	**Mr. Shailendra K. Jain (Director)**				
	At the beginning of the year	64,995	0.01	64,995	0.01
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	64,995	0.01
8.	**Mr. N. Mohan Raj (Director)**				
	At the beginning of the year	500	0.00	500	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	500	0.00
9.	**Mr. O. P. Rungta (Director)**				
	At the beginning of the year	635	0.00	635	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	635	0.00
10.	**Mr. Cyril Shroff (Director)**				
	At the beginning of the year	685	0.00	685	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	685	0.00

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year (reflects effect of Sub-Division)		Cumulative Shareholding during the Year (reflects effect of Sub-Division)	
		No. of Shares	% of Total Shares of The Company	No. of Shares	% of Total Shares of The Company
11.	**Mr. K. K. Maheshwari (Ceased to be a Director, w.e.f. 27th December 2016)**				
	At the beginning of the year	28,985	0.01	28,985	0.01
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year		N.A.		
12.	**Mr. Arun Kannan Thiagarajan (Director)**				
	At the beginning of the year	1,475	0.00	1,475	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	1,475	0.00
13.	**Mr. Dilip Gaur(Managing Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	0	0.00
14.	**Mr. Sushil Agarwal (Whole-time Director & Chief Financial Officer)**				
	At the beginning of the year:	390	0.00	390	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	390	0.00
15.	**Mrs. Hutokshi Wadia (Company Secretary)**				
	At the beginning of the year:	0	0.00	0	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	0	0.00

* including the Equity Shares held by HUF.

V. INDEBTEDNESS:

Indebtedness of the Company including Interest Outstanding/Accrued but not Due for Payment

(₹ in Crore)

	Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the Financial Year – 1st April, 2016				
1)	Principal Amount	1,200.78	638.56	-	1,839.34
2)	Interest Due but not Paid	-	-	-	-
3)	Interest Accrued but not Due	7.13	0.16	-	7.29
	Total of 1+2+3	**1,207.91**	**638.72**	-	**1,846.63**
	Change in Indebtedness during the Financial Year				
	+ Addition	60.81	12.20	-	73.01
	– Reduction	(578.47)	(626.72)	-	(1,205.20)
	Net Change	**(517.66)**	**(614.52)**	-	**(1,132.19)**
	Indebtedness at the end of the Financial Year – 31st March, 2017				
1)	Principal Amount	683.11	24.04	-	707.16
2)	Interest Due but not Paid	-	-	-	-
3)	Interest Accrued but not Due	5.23	-	-	5.23
	Total of 1+2+3	**688.35**	**24.04**	-	**712.39**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakh)

S. No.	Shareholder's Name	Name of MD/WTD/Manager		Total Amount
		Mr. Dilip Gaur, Managing Director	Mr. Sushil Agarwal, Whole-time Director & CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section17(1) of the Income-tax Act, 1961	304.20	226.87	531.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	24.08	7.55	31.63
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission – As % of Profit – Others, specify	-	-	-
5.	Others, please specify Provident Fund and Other Funds (PF, SAF, NPS)	37.24	23.67	60.91
6.	Performance Bonus	-	96.95	96.95
	Total (A)	**365.51**	**355.04**	**720.56**
	Ceiling as per the Act	10% of Net Profit of the Company		

B. Remuneration of other Directors:

I. Independent Directors:

(₹ in Lakh)

Particulars of Remuneration	Name of Directors							Total Amount
	Mr. M. L. Apte	Mr. B. V. Bhargava	Mr. R. C. Bhargava#	Mr. Arun Kannan Thiagarajan	Dr. Thomas Connelly Jr.	Mr. O. P. Rungta	Mr. Cyril Shroff	
Fee for attending Board & Committee Meetings	6.90	6.20	1.70	3.20	2.50	3.00	1.20	24.70
Commission proposed*	25.00	28.00	11.00	19.00	10.00	14.00	8.00	115.00
Others, please specify	-	-	-	-	-	-	-	-
Total (I)	**31.90**	**34.20**	**12.70**	**22.20**	**12.50**	**17.00**	**9.20**	**139.70**

* Excluding Service Tax

Ceased to be Director w.e.f. 1st October, 2016.

II. Other Non-Executive Directors:

(₹ in Lakh)

Other Non-Executive Directors	Mr. Kumar Mangalam Birla	Mrs. Rajashree Birla	Mr. Shailendra K. Jain	Mr. K. K. Maheshwari@	Mr. N. Mohan Raj*	Total Amount
Fee for attending Board & Committee Meetings	2.60	2.40	2.90	0.50	2.50	10.90
Commission proposed#	1,000.00	55.00	20.00	-	10.00	1,085
Others, please specify	-	-	-	-	-	-
Total (II)	**1,002.60**	**57.40**	**22.90**	**0.50**	**12.50**	**1,095.90**
Total (B) = (I+II)						**1,235.60**
Ceiling as per the Act	1% of Net Profit of the Company					

@ Ceased to be Director w.e.f . 27th December, 2016.

*To be paid to LIC.

Excluding Service Tax

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ in Lakh)

S. No.	Shareholder's Name	Name of the KMP	Total Amount
		Mrs. Hutokshi Wadia	
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	56.47	56.47
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.85	0.85
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission – As % of Profit – Others, specify	-	-
5.	Others, please specify Contribution to Provident Fund	4.55	4.55
6.	Performance Bonus	14.24	14.24
	Total (C)	**76.11**	**76.11**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ended 31st March, 2017.

For and on behalf of the Board

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Mumbai, 19th May 2017

ANNEXURE 'F' TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web link to the CSR policy and projects or programmes	:	To actively contribute to the social and economic development of the communities in which we operate. In so doing, build a better, sustainable way of life for the weaker sections of society. Furthermore, to contribute effectively towards inclusive growth and raise the country's human development index. Our projects focus on : education, healthcare, sustainable livelihood, infrastructure development and social reform, epitomising a holistic approach to inclusive growth. The Company's CSR policy can be accessed on: http://www.grasim.com/about_us/CSR_Policy
2.	Composition of the CSR Committee	:	Mrs. Rajashree Birla, Chairman Mr. Shailendra K. Jain, Director Mr. B. V. Bhargava, Independent Director Mr. Dilip Gaur, Managing Director Dr. Pragnya Ram, Group Executive President, Corporate Communication and CSR, Permanent Invitee
3.	Average net profit of the Company for the last three financial years	:	₹ 790 Crore
4.	Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above)	:	₹ 15.80 Crore
5.	**Details of CSR spent during the financial year:**		
	Total amount to be spent for the financial year	:	₹ 18.06 Crore
	Amount unspent, if any	:	-

Manner in which the amount spent during the financial year : Details given below

Sr. No	CSR Projects / Activities Identified	Sector in which the Project Covered	Project / Programmes Local Area / others. Specify the Sate / District where the Project Undertaken	Amount Outlay (Budget) Project or Programme wise (₹ in Lakhs)	Amount Spent on the Project / Programmes Subheads : (1) Direct Expenditure on Project / Programmes (2) Overheads (₹ in Lakhs)	Cumulative Spend upto reporting period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency*
1	1. **Pre School Education Project** Balwadies/play schools/crèches; Strengthening Anganwadis Centres	Education	Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka)	7.73	7.33	643.59	All expenses incurred directly by the Company/ through implementing Agency
	2. **School Education Project** Enrolment awareness programmes/ events; Formal schools outside campus (Company fun); Education Material (Study materials, Uniform, Books, etc.); Scholarship (Merit and Need-based assistance) School competitions/Best teacher award; Cultural events, Quality of Education (support teachers, improve education methods); Specialised Coaching; Exposure visits/awareness, Formal schools inside campus (Company Schools), Support to Mid day Meal Project		Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP), Rehla (Jharkand), Renukoot (UP), Ganjam (Orrisa)	745.54	576.09		
	3. **Education Support Programmes** Knowledge Centre/Library; Adult/ Non-Formal Education; Celebration of National days; Computer education; Reducing drop out rate and Continuing Education (Kasturba Balika/ counseling), Career counseling and orientation		Bharuch & Surat (Gujarat), Ujjain Bhind & Morena (MP), Haveri, Karwar (karnataka), Rehla (Jharkhand)	5.28	9.16		
	4.. **Vocational and Technical Education:** Strengthening ITIs; Skill-Based Individual Training Programmes		Morena & Ujjain (MP)	1.95	1.85		
	5. **School Infrastructure:** Building and Civil Structure (new), Building and Civil Structures (renovation and Maintenance), School sanitation/drinking water; School facilities and fixtures (Furniture / black boards/computers)		Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP)	57.01	49.16		
2	1. **Preventive Health Care:** Immunization, Pulse Polio, Health Check-up camps, Ambulance Mobile Dispensary Programme, Malaria/ Diarrhea /Control programmes, Health & Hygiene awareness programmes, School health/Eye/Dental camps, Yoga/ fitness classes	Health Care	Bharuch & Surat (Gujarat), Ujjain, Bhind & Morena (MP), Haveri, Karwar (Karnataka), Rehla (Jharkhand)	11.38	11.28	427.39	All expenses incurred directly by the Company/ through implementing Agency
	2. **Curative Health Care Programmes:** General Health Camps Specialised Health Camps, Eye camps, Treatment Camps (Skin, cleft, etc.), Homeopathic/ Ayurvedic Camps, Surgical Camps, Tuberculosis, Leprosy Company operated hospitals/dispensaries/clinic		Bharuch & Surat (Gujarat), Ujjain, Bhind & Morena (MP), Haveri (Karnataka), Rehla (Jharkhand)	395.78	334.66		
	3. **Reproductive and Child Health:** Mother and Child Health Care (Ante Natal Care, Pre-Natal Care and Neonatal care),Adolescent Health care, Infant and child health (Healthy baby competition), Support to family planning /camps, Nutritional programmes for mother/child		Bharuch & Surat (Gujarat), Ujjain (MP)	7.72	7.62		

Sr. No	CSR Projects / Activities Identified	Sector in which the Project Covered	Project / Programmes Local Area / others. Specify the Sate / District where the Project Undertaken	Amount Outlay (Budget) Project or Programme wise (₹ in Lakhs)	Amount Spent on the Project / Programmes Subheads : (1) Direct Expenditure on Project / Programmes (2) Overheads (₹ in Lakhs)	Cumulative Spend upto reporting period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency*
	4. **Quality / Support Programme:** Referral services Treatment of BPL, old age or needy patient, HIV- AIDS Awareness Programme, RTI/ STD Awareness programme, Support for differently abled, Ambulance services, Blood donation camps, Blood Grouping		Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP), Bharuch (Gujarat), Rehla (Jharkhand)	8.22	3.48		
	5. **Health Infrastructure and Others:** Buildings and Civil structures(new), Buildings and Civil structures(renovation and maintenance),Village Community Sanitation (toilets/drainage), Individual Toilets, Drinking water new sources, (Hand pump /RO/Water Tank/well), Drinking water existing sources (operation/maintenance), Water source purification.		Bharuch & Surat (Gujarat), Ujjain, Bhind & Morena (MP), Haveri, Karwar (Karnataka), Rehla (Jharkhand)	72.56	70.35		
3	1. **Agriculture and Farm Bas:** Agriculture & Horticulture training programme/ Farmers group Transfer of Technology - Demonstration plots, Support for horticulture plots, Seeds Improvement Programme, Support for improved agriculture equipment and inputs, Exposure visits /Support for agricultural mela, Integrated agricultural/horticultural improvement, programme/productivity improvement programmes, soil health and organic farming.	Environment & Livelihood	Ujjain (MP), Bharuch (Gujarat), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP)	10.91	10.57	58.36	All expenses incurred directly by the Company / through implementing Agency
	2. **Animal Husbandry Based** Treatment and vaccination, Breed improvement Productivity, Improvement programmes and training		Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand)	14.52	16.58		
	3. **Non farm and Skills Based Income Generation Programme** Capacity Building Programme- Tailoring, Beauty Parlor, Mechanical, Rural Enterprise development and Income Generation Programmes, Support to SHGs for entrepreneurial activities		Bharuch & Surat (Gujarat), Ujjain, Bhind & Morena (MP), Haveri & Karwar (Karnataka), Rehla (Jharkhand)	10.51	13.84		
	4. **Natural Resource Conservation Programs and Non-conventional Energy:** Bio gas support program, Solar energy support and other energy support programs - (low smoke wood stoves/sky light), Plantation / Green Belt Development / Roadside Plantation, Soil conservation /Land improvement, Water conservation and harvesting (small structures/ bigger structures), Community Pasture Land Development/Orchard Development		Ujjain (MP), Bharuch (Gujarat), Haveri (Karnataka), Rehla (Jharkhand), Ganjam (Orissa)	14.74	13.14		
	5. **Livelihood Infrastructure and Others**		Ujjain (MP) & Rehla (Jharkhand)	8.73	4.23		

Sr. No	CSR Projects / Activities Identified	Sector in which the Project Covered	Project / Programmes Local Area / others. Specify the Sate / District where the Project Undertaken	Amount Outlay (Budget) Project or Programme wise (₹ in Lakhs)	Amount Spent on the Project / Programmes Subheads : (1) Direct Expenditure on Project / Programmes (2) Overheads (₹ in Lakhs)	Cumulative Spend upto reporting period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency*
4	**Rural Infrastructure Development other than for the purpose of Health /Education/ Livelihood and Others:** New Roads/Culverts/Bridges/Bus Stands, Repair Roads/Culverts/Bridges/Bus Stands Community Halls/ Housing, Other Community assets and shelters and rural development projects	Rural Development Projects	Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP), Renukoot (UP), Ganjam (Orissa)	49.75	63.76	63.76	All expenses incurred directly by the Company / through implementing Agency
5	1. **Institutional Building and Strengthening** Strengthening/ formation of community based organisation (SHGs), Support to development organisations, Old age Home, Orphanage	Social Empowerment	Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand)	1.00	6.16	54.09	All expenses incurred directly by the Company/ through implementing Agency
	2. **Social Security and support to Development Organization:** Support to Old age / Widow / physically Challenged Persons/ poor Insurance, Pension Scheme		Haveri (Karnataka)	4.17	3.95		
	3. **Awareness Programs** Community Awareness programmes, awareness Campaign, social abuse, Early marriages / HIV prevention		Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP)	7.95	2.49		
	4. **Social Events to minimise causes of Poverty:** Support to mass marriages / widow remarriages; National days celebrations with community; Support with basic amenities		Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP)	8.28	7.77		
	5. **Promotion of Heritage/Culture/Sports** Support to rural cultural program, Festivals and Melas support to rural sports		Bharuch & Surat (Gujarat), Bhind & Morena (MP), Rehla (Jharkhand), Ganjam (Orissa)	24.04	23.63		
	6. **Disaster Relief Programmes, Support to Development Organizations and Others:**		Bharuch & Surat (Gujarat), Bhind & Morena (MP), Rehla (Jharkhand), Ganjam (Orissa)	10.53	10.09		
6	Traditional Handicrafts Promotion / Development (Handloom Textiles - Ikat, Jamdani and Banarasi Artisans)	Protection of Heritage, Art and Culture		500.00	500.00	500.00	All expenses incurred directly by the Company/ through implementing Agency
7	Salaries and Overheads				58.67	58.67	All expenses incurred directly by the Company/ through implementing Agency
	Total (₹ in Lakh)			**1,978.51**	**1,805.86**	**1,805.86**	

* Grasim Jana Seva Trust and Others

Grasim works in 205 villages, reaching out to a populace of 6.42 lakh. For the financial year 2016-17, the Company has spent ₹ 18.06 Crore as against ₹15.80 Crore, which is 2.29% of the net profit of the last three years. During the year, the Company identified a project to preserve the traditional art of handloom weaving from extinction. This will result in protecting the livelihood of weavers/artisans. The project team has since identified the weaver community for engagement in this project, in the interiors of Kutch, Hyderabad and Banaras. The project is slated to go on stream in the ensuing financial year.

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

The Implementation and Monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Dilip Gaur
Managing Director
(DIN: 02071393)

Rajashree Birla
Chairman, CSR Committee
(DIN: 00022995)

Date: 19th May 2017

ANNEXURE 'G' TO THE BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

a) The steps taken and impact on conservation of energy

The Company is continuously engaged in the process of energy conservation through continuous improvements in operational and maintenance practices.

Following measures have been taken by different units of the Company:

i) Viscose Staple Fibre (VSF) and Pulp Units

- Improving utilisation of heat available in the system by heat integration of various processes to save steam and power through:
  - Recycling of hot air within different zones of Fibre Dryer
  - Preheating of DM water in power plants with process streams
  - Preheating of air in fibre dryer using scrubber water
  - Dryer condensate recycle in power plant
  - Spinning m/c wash water heating with scrubber water
- Adoption of high efficiency equipment to reduce energy consumption:
  - Adoption of fine homogenizers for viscose blenders
  - Adoption of online energy monitoring system
  - Diffused aeration in place of surface aerators
  - Installation of LP ejectors in place of HP ejectors
  - New improved shower system for pressure washers in pulp mill
  - Replacement of conventional lighting with energy efficient LEDs
- Process improvement to save energy
  - Scale removal from Turbo Generator to increase power generation capacity
  - Steam network audit and modification of traps
  - Using cooling water for steep lye cooling instead of chilled water
  - Blinding of one stage in Boiler feed pump

ii) Chemical Units

- Replacement of conventional cooling tower Fans with aerodynamic blades, which saves 500KWH/day
- Installation of sixth generation electrolysers in place of fifth generation electrolysers which saves ~1.5% power
- Installation of solar power for road and garden lighting

iii) Textile Units

- Installation of VFDs with close control loop in old Autoconer m/cs and replacement of old motors with IE3 efficiency motors
- Installation of VFDs with close control loop ETP, phase-wise replacement of conv lights with LED type and increase in Pet Coke to steam ratio in boiler by 2%

b) The steps taken by the Company for utilising alternate sources of energy

- Utilisation of leftover pre-hydrolysis liquor to generate additional Biogas resulting in reduction in consumption of furnace oil
- Successfully implementation of process to use wood waste from our pulp plant to produce additional steam in boilers
- Solar lights are being used for lighting of roads and gardens inside the Plants

c) The capital investment on energy conservation equipment

- Total investment made ₹ 28.83 Crore

B. TECHNOLOGY ABSORPTION

a) The efforts made towards technology absorption

- Development and market seeding of dope-dyed white VSF for use in uniforms and other white applications, dyed fibre with antimicrobial properties and new low foaming fibre finish is being developed by in house R&D
- Developing technology capabilities for improving quality and wider shade range for spun dyed fibre
- Improving Modal/Micro modal quality and productivity
- Upgradation of Excel plant to improve quality and consistency
- Conversion of fourth generation electrolysers to sixth generation electrolysers

b) The benefits derived like product improvement, cost reduction, product development or import substitution

- Dope Dyed White VSF launched as new fibre, named Liva Sno
- Improvement in Modal/Micro modal quality and production capability
- Fine tuning of VSF process for reduction in consumption of key raw materials leading to cost reduction

c) In case of imported technology (imported during the last three years, reckoned from the beginning of the financial year:

Division	Details of Technology Imported	Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Chemical	ODC Technology	2013-14	Yes	NA
Chemical	Electrolysis membrane cell technology with 6th generation electrolyser	2015-16	Yes	NA
Chemical	Latest technology 6th generation electrolyser	2016-17	Yes	NA

d) The expenditure incurred on Research and Development:

Expenditure	₹ in Crore
a. Capital	35.15
b. Revenue	42.07
	77.22

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Foreign Exchange used : ₹ 3,724.99 Crore
- Foreign Exchange earned : ₹ 2,559.23 Crore

ANNEXURE 'H' TO THE BOARD'S REPORT

Grasim Industries Limited, an Aditya Birla Group Company, has adopted the Executive Remuneration Philosophy/Policy as applicable across Group Companies. This Philosophy/Policy is detailed below:

ADITYA BIRLA GROUP: EXECUTIVE REMUNERATION PHILOSOPHY/POLICY

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programmes that align executive rewards – including incentive programmes, retirement benefit programmes, promotion and advancement opportunities – with the long-term success of our stakeholders.

Our Business and Organisational Model

Our Group is a conglomerate and organised in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

I. Objectives of the Executive Remuneration Programme

Our executive remuneration programme is designed to attract, retain, and reward talented executives, who will contribute to our long-term success, and thereby build value for our shareholders.

Our executive remuneration programme is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis; and

2. Emphasise "Pay for Performance" by aligning incentives with business strategies to reward executives, who achieve or exceed Group business and individual goals.

II. Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company;

2. Key Managerial Personnel: Chief Executive Officer and equivalent (e.g., Deputy Managing Director), Chief Financial Officer and Company Secretary; and

3. Senior Management.

III. Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that the pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay, and build in as appropriate for decision making.

IV. Executive Pay Positioning

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long-term incentive pay-outs at target performance) and target the total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognise the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that the target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

V. Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash Compensation (Basic Salary + Allowances); (ii) Annual Incentive Plan; (iii) Long-Term Incentives; and (iv) Perks and Benefits.

Annual Incentive Plan:

We tie annual incentive plan pay-outs of our executives to the relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/focus areas for the business.

Long-Term Incentives:

Our long-term incentive plans incentivise stretch performance, link executive remuneration to

sustained long-term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long-term incentive vehicle, to motivate and retain our executives.

VI. Performance Goal Setting

We aim to ensure that, for both annual incentive plans and long-term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan pay-out is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

VII. Executive Benefits and Perquisites

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefits plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

Other Remuneration Elements:

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives, including continuity of service across the Group Companies.

We limit other remuneration elements, for example, Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale, and generally do not provide for any tax gross-ups for our executives.

Risk and Compliance:

We aim to ensure that the Group's remuneration programmes do not encourage excessive risk taking. We review our remuneration programmes for factors, such as remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

Clawback Clause:

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act, 2013, and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him/her as per restatement of financial statements, pertaining to the relevant performance year.

Implementation:

The Group and Business Centre of Expertise teams will assist the Nomination and Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through "arm's-length", agreements entered into as needs arise in the normal course of business.

Mumbai, 19th May 2017

ANNEXURE 'I' TO THE BOARD'S REPORT

Details pertaining to remuneration as required under Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

Sr. No.	Name of the Director/KMP and Designation	Ratio of Remuneration of each Director to the Median Remuneration of Employees for the Financial Year 2016- 17[a]	% Increase/ (Decrease) in Remuneration in the Financial Year 2016-17
1	Mr. Kumar Mangalam Birla Chairman and Non-Executive Director	218.82	60.51
2	Mrs. Rajashree Birla Non-Executive Director	12.04	34.15
3	Mr. M. L. Apte Independent Director	5.47	56.25
4	Mr. B. V. Bhargava Independent Director	6.13	40.00
6	Mr. Cyril Shroff Independent Director	1.75	33.33
7	Dr. Thomas M. Connelly Jr. Independent Director	2.19	100.00
8	Mr. O. P. Rungta Independent Director	3.06	180.00
9	Mr. Arun K. Thiagarajan Independent Director	4.16	Not Applicable[b]
10	Mr. N. Mohan Raj Nominee Director (payable to LIC)	2.19	100.00
11	Mr. Shailendra K. Jain Non-Executive Director	4.38	42.86
12	Mr. Dilip Gaur Managing Director	79.98	Not Applicable[c]
13	Mr. Sushil Agarwal Whole-time Director & CFO	77.69	Not Applicable[d]
14	Mrs. Hutokshi Wadia Company Secretary	16.65	21.66

(a) Remuneration to Non-Executive and Independent Directors includes commission payable for the year ended 31st March, 2017, which is subject to the approval of the Members of the Company. Sitting fee paid to the Directors is excluded.

(b) Mr. Arun Kannan Thiagarajan was appointed as the Independent Director with effect from 7th May, 2016, and, hence, remuneration paid to him is not comparable with the previous year.

(c) Mr. Dilip Gaur was appointed as the Managing Director with effect from 1st April, 2016, and, hence, remuneration paid to him is not comparable with the previous year.

(d) Mr. Sushil Agarwal was appointed as the Whole-time Director and CFO with effect from 1st July, 2015, and, hence, remuneration paid to him is not comparable with the previous year.

2. During the financial year 2016-17, there was an increase of 8.76% over the previous financial year, in the Median remuneration of the employees. The calculation of percentage increase in the Median Remuneration is based on the comparable employees.

3. There were 8,669 permanent employees on the rolls of the Company as on 31st March 2017.

4. Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2016-17, was 8.80% over the previous financial year, which is in line with the industry benchmark and cost of living index. However, the average salaries of the managerial personnel for the same financial year increased by 21.66% due to the better performance of the Company as compared to the previous financial year.

5. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy/Policy of the Company.

For and on behalf of the Board

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Mumbai, 19th May 2017

MANAGEMENT DISCUSSION AND ANALYSIS

Sales volume of the Company increased by 6% led by higher share of speciality fibre, which increased from 33% in FY16 to 36% in FY17.



OVERVIEW

Indian economy continued to be the fastest growing major economy in the world. As per the advance estimates released by the Central Statistical Organization (CSO), India's GDP grew 7.1% in FY17. Macro-economic fundamentals of the economy were healthy during the year – with moderation of inflation, fiscal deficit and current account deficit.

Although export growth was negative in the first half of the year, it turned positive in the second half and accelerated towards end-FY17. The high value currency replacement programme in November 2016 had a temporary adverse impact on demand and activity in some industries. However, by the end of the year, the economy gathered momentum going by the high-frequency growth indicators.

India is on the cusp of introducing Goods and Services Tax (GST) that will create a common market, improve tax compliance and governance. Medium and long-term growth prospects for India appear to be favourable, on account of the on-going reforms, improving investor confidence and expected growth in infrastructure spending by the Government.

Global economy was somewhat subdued in the calendar year 2016. According to IMF, world economic growth slowed to 3.1% in 2016 from 3.4% in 2015, mainly on account of the slowdown in advanced economies. Growth in emerging market and developing economies remained healthy. Towards the end of 2016 and in early 2017, global economy gained momentum – as reflected in increase in purchasing managers' indexes, accelerating trade flows and improvement in business and consumer confidence. Commodity prices have firmed up, buoyed by improved growth outlook and supply curtailments. Accordingly, deflationary risks in developed economies have come down considerably. As per IMF, Global economic activity is picking up with a long-awaited cyclical recovery in investment, manufacturing and trade.

STRATEGIC INITIATIVES

Amalgamation of Aditya Birla Nuvo Limited ("ABNL") into Grasim and the subsequent demerger and listing of its financial services business, viz., Aditya Birla Financial Services Limited ("ABFSL").

In August 2016, the Board of Directors of your Company approved the merger of Aditya Birla Nuvo Limited ("ABNL") into Grasim and the subsequent demerger and listing of its financial services business, viz., Aditya Birla Financial Services Limited ("ABFSL"), through a composite scheme of arrangement ("Scheme"). The merger results into consolidation of fast-growing businesses of ABNL with a strong, stable cash flow portfolio of Grasim and value unlocking for shareholders of the merged entity via the listing of financial services.

Following are the highlights of the merger:

- Creates a large combination of manufacturing and service businesses commanding leadership positions across the cement, financial services, telecom, textiles and chemicals sector
- Grasim to have fast-growing sectors such as financial services and telecom under its fold
- Financial Services business to grow faster under Grasim's strong parentage
- Listing of Financial Services business to unlock value for all the shareholders
- ABNL's shareholders to participate in Grasim's steady cash-generating businesses, while enabling its growth businesses to grow at a faster pace
- Consolidates common businesses and investments of Grasim and ABNL

BUSINESS PERFORMANCE REVIEW

Viscose Staple Fibre (VSF)

	Unit	FY 16-17	FY 15-16	% Change
Standalone Performance				
Installed Capacity	'000 TPA	498	498	-
Production	'000 Tons	493	464	6
Sales Volume	'000 Tons	500	467	7
Divisional Revenue	₹ Crore	7,715	6,536	18
EBITDA	₹ Crore	1,439	923	56
EBITDA Margin*	%	20	15	

*EBITDA margin is calculated based on Net Revenue.

Performance Review

Across the globe, VSF demand has been growing at a faster rate vis-à-vis other fibres driven by growing prosperity in Asian countries and a stagnant demand for cotton. Global VSF demand is expected to continue to grow at a healthy pace. In India, high value currency replacement programme temporarily impacted downstream players in textile value chain. Thus, demand witnessed slowdown, particularly, from power loom sector. However, your Company was able to do higher export sales of VSF to mitigate the slowdown in domestic offtake. The impact of demonetisation seems to be over, and situation has started to improve from Q4 onwards.

In China, the biggest market of VSF, stringent environmental norms and compliance created pressure on operating conditions. This, in turn, led to lower supply during FY17, resulting into improvement in prices from Q2 FY17 onwards. On competing fibres front, Polyester Staple Fibre saw strong growth in the last 2 years, helped by lower crude oil prices, but recent announcement of OPEC and Non-OPEC producers on crude output cut has led to upward movement in PSF prices. On the other hand, global cotton production is expected to remain stagnant, and declining ending stock should provide support to prices. All of this augurs well for VSF prices, although rising pulp prices may put some pressure on margin.

Sales volume of the Company increased by 6% led by higher share of speciality fibre, which increased from 33% in FY16 to 36% in FY17. Improved productivity at various plants led to reduction in consumption of power, steam and caustic soda. Higher realisation and improvement in operating efficiencies resulted into surge in EBITDA, which went up by 56% from ₹ 923 Crore to ₹ 1,439 Crore, negated to some extent by increase in pulp cost. EBITDA margin was 20% in current financial year as against 15% in the last financial year.

Sustainability is key focus area for the Company. In line with this philosophy, significant reduction of more than 20% in water consumption was achieved by Quarter 4 compared to average consumption of FY16.

Pulp and Fibre JVs reported considerable improvement in financial performance. As against a PAT (Grasim Share) of ₹ 63 Crore in FY16, these JVs have reported a PAT of ₹ 138 Crore during the current year. Higher pulp realisation and volumes coupled with improvement in consumption norms of various raw materials led to rise in operating profit.

Sector Outlook

Rising PSF prices and stagnant cotton production augurs well for VSF, although short- term volatility in prices cannot be ruled out. Speciality fibre like Modal, Micro modal and Non-woven category of VSF have good growth potential, and thus provide opportunity for growth. Rising prosperity in emerging markets coupled with increasing population should continue to boost VSF demand.

Business Outlook

Your Company is operating at full capacity and is in the process of de-bottlenecking of its plants to meet growing demand. Liva brand is making strong foothold in women's wear market. Your Company has recently launched Liva Crème, a premium version of brand Liva, to cater to the niche market. It has established strong market presence with leading customers and helping expand market for speciality fibre in India. On the manufacturing side, focus continues on key R&D projects towards achieving the world benchmark quality, strengthening the cost competitive position and attaining better environmental standards.

Chemicals

	Unit	FY 16-17	FY 15-16	% Change
Caustic Soda				
- Installed Capacity	TPA	840	804	4
- Production	TPA	780	756	3
- Sales Volume	TPA	784	768	2
Chemical Business				
Divisional Revenue	₹ Crore	4,180	3,768	11
EBITDA	₹ Crore	842	747*	13
EBITDA Margin	%	22	22 *	

* Excludes stamp duty provision of ₹ 84 Crore on Merger of ABCIL for better comparison.
**EBITDA margin is calculated based on Net Revenue.

Performance Review

Caustic demand was subdued recording a growth of 2% during FY16-17. While consumption of caustic in alumina recorded good growth, the overall consumption was impacted as high value currency replacement programme affected few consuming sectors like textiles, organic/inorganic chemicals, etc. Caustic soda capacity for the Industry grew by 2.55 lakh TPA during FY17. Capacity addition and slow growth in chlorine demand negatively impacted the capacity utilisation of the Industry.

EBITDA improved by 13% from ₹ 747 Crore to ₹ 842 Crore with higher sales volume and realisation.

Chemical business reported an increase of 11% in sales revenue. Capacity utilisation was high at 93%. Sales volume was up by 2%. ECU realisation improved, aided by an increase in Caustic prices. This was partially offset by Chlorine prices, which continued to remain under pressure. The impact of higher energy cost was offset by reduction in power consumption and decline in salt and other raw material cost. EBITDA improved by 13% from ₹ 747 Crore to ₹ 842 Crore with higher sales volume and realisation.

Sector Outlook

The demand for Caustic Soda in India is expected to grow with the rising consumption from alumina and textiles sector. The commissioning of new capacities in the industry may increase supply in the medium term. Pressure on chorine evacuation is expected to continue, and may impact the industry utilisation levels.

Business Outlook

Caustic Soda capacity expansion of 208K TPA through brownfield expansion at Vilayat (Gujarat) and de-bottlenecking at Karwar (Karnataka) and Ganjam (Odisha) is on track. The Company's total caustic capacity post expansion will be 1,048K TPA by FY18.

Steady growth of chlorine derivative products eased the pressure on chlorine offtake to a great extent. The chlorine derivatives business also provides good growth opportunity in the exports market. Business achieved significant progress in areas of water treatment chemicals, plasticisers and other industrial products. Going forward, your Company will continue to focus on expanding the portfolio of chlorine derivative products. Phosphoric Acid plant of ~29K TPA is being set up at Vilayat (Gujarat) which is likely to be commissioned in Q3 FY18. Post this commissioning, total capacity of Phosphoric Acid will increase to ~53K TPA, which will help in increased captive consumption of Chlorine. The business strives to improve profitability by taking energy conservation measures and higher captive use of Chlorine.

UltraTech Cement Ltd. (Subsidiary)

	Unit	FY 16-17	FY 15-16	% Change
Grey Cement				
Installed Capacity	Mn. TPA	70.25	66.05	6
Production	Mn. Tons	51.00	50.57	1
Sales Volume[1]				
- Cement and Clinker	Mn. Tons	52.40	51.33	2
White Cement and Putty				
Capacity	Lakh Tons	13.60	13.60	--
Sales Volume[1]	Lakh Tons	13.18	13.12	--
Cement Business				
Revenue	₹ Crore	28,646	28,392	1
EBITDA[2]	₹ Crore	5,861	5,365	9
EBITDA Margin*	%	23	21	

[1] Includes captive consumption for Ready Mix Concrete and value-added products.

[2] Includes income of UltraTech Cement related to unallocated corporate capital employed.

* EBITDA margin is calculated based on Net Revenue.

Performance Review

The cement industry registered the weakest volume growth during the past 15 years. Though the industry started the year on a positive note, achieving decent growth during the first six months of the year, the second half witnessed muted demand from the housing segment, the largest cement demand driver. The year saw the industry adding another 12 MTPA new capacity, taking the total installed capacity in the country to ~420 MTPA. With the new additions coupled with contraction in demand, industry capacity utilisation declined to ~65% (LY 67%). Cement prices have not shown any improvement over the last year, and escalation in fuel prices resulted in higher operating costs.

On-going cost optimisation measures of UltraTech Cement Ltd. (UltraTech) have helped in containing costs. Overall energy cost declined by 7% from ₹ 824/t during the previous year to ₹ 763/t driven by increase in the usage of petcoke, industrial waste, and efficiency improvements, coupled with the benefit of lower petcoke prices during the part of the year. Logistics cost reduced from ₹ 1,099/t to ₹ 1,074/t, although diesel prices increased by about 13% for the year as a result of reduction in average lead distance with improved utilisation of new cement grinding capacities, rationalisation of road freight rates and increased coastal movement. EBITDA rose by 9% at ₹ 5,861 Crore compared to ₹ 5,365 Crore last year, mainly driven by decline in cost.

UltraTech has a total capex outlay for ₹ 4,782 Crore of which, ₹ 1,239 Crore has already been incurred. Of the remaining amount, the Company plans to spend ~ ₹2,200 in the FY 2017-18 and the remaining amount later.

Outlook for Cement Business

Cement demand is expected to pick-up gradually. Government-sponsored affordable housing programme, interest rate subvention, continuing infrastructure spending, improving demand sentiments in the markets of south India and revival in rural housing demand backed by improved cash flow are expected to be the key factors for cement demand growth. On the flip side, demand from the urban housing and private sector capex is still not showing any signs of recovery.

Textiles - Grasim Bhiwani Textiles Limited (GBTL)

Performance of GBTL, wholly-owned Textile subsidiary of your Company, witnessed improvement with increase in EBITDA by 70% to ₹ 17 Crore as against ₹ 10 Crore in FY16 with stringent control measures. Profitability improved despite decline in sales revenue from ₹ 411 Crore in the last year to ₹ 385 Crore. Volume decreased in the 2nd half, due to demonetisation.

FINANCIAL REVIEW AND ANALYSIS

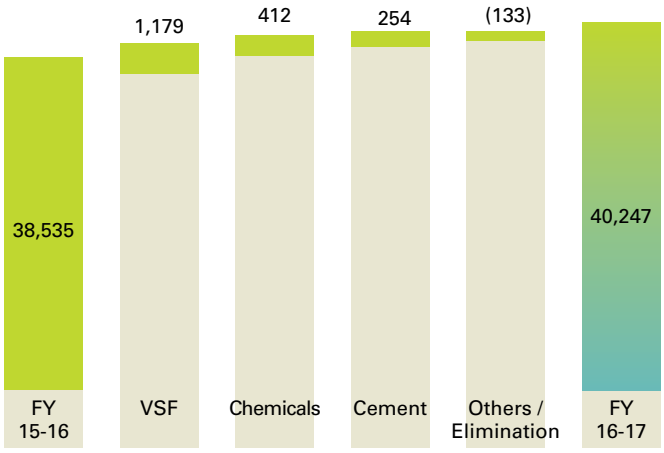
Consolidated Financial Performance

(₹ Crore)

	FY 16-17	FY 15-16	% Change
Revenue from Operations	40,247	38,535	4
Other Income	948	662	43
Earnings before Interest, Depreciation and Tax	**8,333**	**7,066**	**18**
Interest	702	718	(2)
Depreciation	1,808	1,834	(1)
Earnings before Tax Expenses (Before Exceptional Item)	**5,823**	**4,514**	**29**
Exceptional Item	--	(27.8)	
Profit before Tax Expenses	**5,823**	**4,486**	**30**
Tax Expenses	1,707	1,225	39
Profit After Tax	**4,375**	**3,262**	**34**
Less: Minority Interest	1,078	987	9
Add: Share in Profit of Associates	129	193	(33)
Profit for the Year	**3,167**	**2,468**	**28**

Revenue from Operations

The revenue from operations increased from ₹ 38,535 Crore to ₹ 40,247 Crore contributed by higher revenue from all the Businesses.

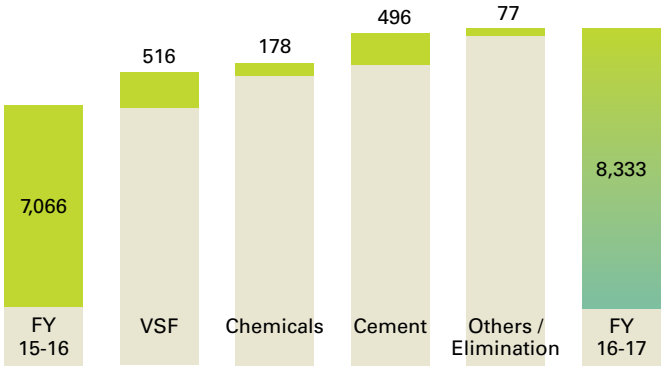


Other Income

Other income for the year increased from ₹ 662 Crore to ₹ 948 Crore on account of higher treasury income, receipt of Income Tax refund, pertaining to previous year and provisions written back.

Operating Profit (EBITDA)

EBITDA at ₹ 8,333 Crore reported strong growth of 18% with improved performance from all the three business segments, namely VSF, Chemicals and Cement.



Finance Cost

Finance cost declined marginally by 2% at ₹ 702 Crore At standalone level, interest declined substantially from ₹ 147 Crore to ₹ 62 Crore as the cash flow received from operations has been used towards repayment of borrowings. Finance cost in UltraTech increased by 13% to ₹ 640 Crore.

Net profit for the year (before exceptional item) surged by 27% at ₹ 3,167 Crore compared to ₹ 2,496 Crore in the last year.

After considering liquid investments, your Company has net surplus cash of ₹ 1,845 Crore in the current year as against net debt of ₹ 236 Crore last year at standalone level, and net surplus cash of ₹ 2,225 Crore as against net debt of ₹ 3,602 Crore last year at a consolidated level.

Depreciation

Depreciation is almost flat at ₹ 1,808 Crore given no major plants commissioning during the year.

Tax Expenses

Tax expenses are up by 39% from ₹ 1,225 Crore to ₹ 1,707 Crore on account of higher profits.

Profit for the Year

Net profit for the year (before exceptional item) surged by 27% at ₹ 3,167 Crore compared to ₹ 2,496 Crore in last year.

Standalone Financial Performance

(₹ Crore)

	FY 16-17	FY 15-16	% Change
Revenue from Operations	11,253	9,778	15
EBITDA	2,629	1,851	42
Profit for the Year (Before Exceptional Item)	1,560	1,000	56
Exceptional Item*	-	(29)	-
Profit for the Year (After Exceptional Item)	1,560	971	61

* Provision for diminution in value of investment in Birla Lao Pulp & Plantation Co. Ltd. (a JV of the Company).

Revenue from operation is up from ₹ 9,778 Crore in FY16 to ₹ 11,253 Crore in FY17, led by VSF business, which is operating at its full capacity level. Standalone EBITDA grew by 56% from ₹ 1,851 Crore to ₹ 2,629 Crore led by higher profits in both VSF and Chemical businesses, as well as higher other income. Profit for the year (before exceptional item) was ₹ 1,560 Crore as against ₹ 1,000 Crore last year.

CASH FLOW ANALYSIS (Standalone)

(₹ in Crore)

	FY 16-17
Sources of Cash	
Cash from Operations	1,977
Dividend and Interest Income	321
Proceeds from Equity (Issue of Shares under ESOS)	3
Decrease in Working Capital	280
	2,581
Uses of Cash	
Capital Expenditure (Net)	421
Asset transfer cost on amalgamation of erstwhile Aditya Birla Chemicals (India) Ltd.	10
Repayment of Borrowings (Net)	1,132
Increase in Investments (Net)	731
Interest	60
Dividend	215
Increase in Cash and Cash Equivalents	12
	2,581

Sources of Cash

Cash from Operations

Cash generated from operations during the year was ₹ 1,977 Crore.

Dividend and Interest Income

Your Company received Dividend of ₹ 202 Crore during the year. Interest income increased from ₹ 52 Crore in previous year to ₹ 119 Crore due to increase in treasury size and interest received on income Tax refund.

Decrease in Working Capital

Overall the Company saw decline in working capital despite increase in volume in VSF and Chemicals with efficient management of working capital cycle.

Uses of Cash

Capital Expenditure (Net)

₹ 71 Crore was spent on the on-going brownfield expansion of Caustic Soda at Vilayat, and ₹ 47 Crore was spent on debottlenecking of Caustic capacity at Ganjam and Karwar plants. ₹ 320 Crore amount was invested on various modernisation and upgradation schemes in both VSF and Chemical businesses.

Net decrease in Debt

Long-Term loans amounting to ₹ 212 Crore under TUF scheme were repaid in accordance with the repayment schedule of the loans. Net short-term borrowings of ₹ 921 Crore were repaid during the year

A dividend of ₹ 22.5 per share amounting to ₹ 215 Crore was paid for FY 2015-16.

Increase in Investments (Net)

With higher cash generation from Operations and reduction in working capital, there was an increase in the cash flow. After repayment of borrowings and capex, surplus was deployed in various schemes of debt mutual funds to the tune of ₹ 767 Crore. During the year, there was capital reduction in joint venture of ₹ 43 Crore.

Dividend

A dividend of ₹ 22.5 per share amounting to ₹ 215 Crore was paid for FY 2015-16.

RISKS AND CONCERNS

Risk Management is a very critical aspect in the current economic environment. The objective of Risk Management System is to identify, monitor and take mitigation measures on a timely basis in respect of the events that may pose risks for the businesses. Your Company has a robust Enterprise Risk Management framework in place. Risk Management Committees have been formed at each Business unit and Corporate office for effective and timely identification and monitoring of risks and implementation of mitigation plans. Risk Management Committee of the Board reviews the identified risks and mitigation plans from time to time.



Your Company has identified the following risks:

Key Risk	Impact on Grasim	Mitigation Plans
Commodity Price Risk	Volatility in prices of raw materials, energy inputs and finished goods may adversely impact profitability.	- Backward integration in the VSF business by setting up captive caustic soda and pulp plants. - Setting up captive power plants in all businesses. - Multi-fuel capable kilns/power plants in Cement business to optimise fuel mix. - Increasing share of value-added products, e.g., specialty fibre in VSF, Chlorine derivatives in Chemical business, wall care putty in white cement, etc. - Maintaining cost competitiveness through regular efficiency improvement.
Availability of Natural Resource-based Inputs	Non-availability of quality coal at economical prices may lead to higher cost.	- Government taking various measures viz., auctioning of coal mines to private players, removing bottlenecks at Coal India, and soft demand for coal globally to improve supply of coal. - Entering into long-term contracts, securing coal supplies at competitive prices.
	Non-availability of limestone may impact the growth plans of Cement business in long term. Under the new Mines and Mineral (Development and Regulation) Amendment Act, 2015, new mining leases will be granted through the process of auction/bidding which will lead to higher limestone and other input costs.	- Higher share of petcoke/alternative fuels in cement business. - Sufficient limestone reserves available at existing facilities. - Continuous efforts for securing additional limestone reserves for existing as well as future expansion. - Identification of land requirement and commencement of acquisition process well in advance. - The Company's CSR activities and delivering societal value will stand it in good stead in this regard.
	Scarcity of water may impact business operations in VSF and Chemical business.	- Increasing own water storage capacity. - Reduction in water consumption. - To pursue Govt. authorities for increasing water availability for irrigation and public use by building new reservoirs.
Uncertain Global Economic Environment – slowdown in Global Economy	Impact on demand and realisation of VSF.	- Diversification of sales across geographies. - Diversification of product offering by introducing high-end speciality products like Modal and Excel fibre.
Human Resources Risk	Attrition and non-availability of the required talent resources can affect the performance of the Company.	- Continuous benchmarking of the best HR practices across the industry, and carrying out necessary improvements to attract and retain the best talent. - Regular review, monitoring and engagement on personal development plans of high performers and high potential employees.
Competition Risk	With no barriers for entry of new players, your Company is always exposed to competition risk. The increase in competition can create pressure on margins, market share, etc.	- Continuous efforts to enhance the brand image of the Company by focusing on R&D, quality, cost, timely delivery and customer service. - Customer connect initiatives to reach out end-users (such as Liva brand for VSF).

Key Risk	Impact on Grasim	Mitigation Plans
Environmental and other Regulatory Risks	Any default can attract penal provisions and may impact the Company Reputation.	- Adherence to current norms is being ensured. - Technology/equipment upgradation is being planned pro-actively. - Continuous monitoring of regulatory changes to ensure compliance with all applicable statutes and regulations.
Industrial Safety, Employee Health and Safety Risk	Both the VSF and Cement industry are labour intensive and are exposed to health and injury-risk due to machinery breakdown, human negligence etc. Chemical business has exposure to risks arising from producing and handling of hazardous chemicals.	- Association with M/s. DuPont Safety Resources to strengthen your Company's Safety Management System in Chemicals and Cement Businesses. - Development and implementation of critical safety standards across the Units and Project sites, establishing processes for training need identification at each level of employee, introduction of 'Life Saving Rules'. - Continuous focus on building of safety culture across units covering entire workforce. - Adequate Insurance Coverage.

Financial Risks are covered in the Financial Statement.

INTERNAL CONTROL SYSTEM

Your Company has a well established and robust internal control system commensurate with the size and scale of its operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place, and have been designed to provide a reasonable assurance. Internal audits are undertaken on a continuous basis by a reputed CA firm covering all units and business operations. The internal audit programme is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports are presented to the Audit Committee of the Board. The Audit Committee reviews the adequacy and effectiveness of internal control systems and provides guidance for further strengthening them. Your Company also periodically engages outside experts to carry out an independent review of the effectiveness of various business processes. The observations and best practices suggested are reviewed by the Management and Audit Committee, and appropriately implemented with a view to continuously strengthen internal controls.

CONCLUSION

In the VSF Business, rising share of speciality products will augment the product mix and profitability. The focus on cost optimisation will continue relentlessly. The Company has launched brand LIVA, and is actively working with the value chain, brands and retailers to expand the domestic market of VSF.

In the Chemical Business, the Company will benefit from additional volumes of Caustic soda with the completion of on-going capacity expansion and higher volume of chlorine value-added products.

In the Cement Business, the Company with its existing and proposed capacity is well placed to grow from the accelerated growth expected in the sector.

Upon completion of the merger of Aditya Birla Nuvo with Grasim, the Company is poised to enter into a new era of growth, given its leadership position in all its businesses.

CAUTIONARY STATEMENT

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 is given below:

I. GRASIM'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance refers to the framework, mechanisms, processes and relations by which corporations are directed and managed. Your Company is committed to the adoption of best governance practices and their adherence in true spirit at all times.

Your Company's governance practices oversee business strategies and ensures accountability, ethical behaviour, transparency and fairness to all stakeholders. Your Company puts into practice the corporate governance framework through board governance processes, internal control and audit processes. In line with the above philosophy, your Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices.

Your Company is in compliance with the requirements stipulated under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") with regards to corporate governance.

BOARD OF DIRECTORS

A. Composition of Board of Directors (the Board)

As on date, your Company's Board comprises of 12 Directors, of which 6 are Independent Directors, 1 is a Nominee Director, 3 are Non-Executive Directors, and 2 are Executive Directors. All Independent Directors are free from any business or other relationship that could materially influence their judgement. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (the Act), and the Listing Regulations. The Directors are professionals and have expertise in their respective functional areas.

The details of the Board of Directors of the Company as on 31st March, 2017, are as under:

Name of the Director	Executive/ Non-Executive/ Independent[1]	No. of Equity Shares Held	Directorships in other Companies[2]	Membership of Committees of other Companies[3]	
				Member	Chairman
Mr. Kumar Mangalam Birla	Non-Executive	119,575[4]	8	-	-
Mrs. Rajashree Birla	Non-Executive	361,400	7	-	-
Mr. M. L. Apte	Independent	650	6	2	1
Mr. B. V. Bhargava	Independent	2,400	5	2	2
Mr. R. C. Bhargava [5]	Independent		Not Applicable		
Dr. Thomas Martin Connelly Jr.	Independent	-	-	-	-
Mr. Cyril Shroff	Independent	685	-	-	-
Mr. O. P. Rungta	Independent	635	-	-	-
Mr. Arun Kannan Thiagarajan	Independent	1,475	5	2	4
Mr. Shailendra K. Jain	Non-Executive	64,995	3	1	-
Mr. N. Mohan Raj (representing equity interest of LIC)	Nominee Director	500	-	-	-
Mr. K. K. Maheshwari [6]	Non-Executive		Not Applicable		
Mr. Dilip Gaur	Managing Director	-	-	-	-
Mr. Sushil Agarwal	Whole-time Director	390	3	3	-

[1] Independent Director means a Director as defined under Regulation 16 of the Listing Regulations and Section 149 of the Act.

[2] excluding Private Limited Companies/Foreign Companies/Section 8 Companies.

[3] includes only Audit Committee and Stakeholders' Relationship Committee.

[4] including the Equity Shares held by HUF.

[5] resigned as a Director of the Company, w.e.f. 1st October, 2016.

[6] resigned as a Director of the Company, w.e.f. 27th December, 2016.

B. Role of Board of Directors

Your Company's Board of Directors plays a primary role in ensuring good governance, in smooth functioning of the Company and in the creation of shareholder value. The Board's role, functions, responsibility and accountability are clearly defined. As the Board's primary role is fiduciary in nature, it is responsible for ensuring that the Company runs on sound ethical business practices and that the resources of the Company are utilised in a manner so as to create sustainable growth and value for the Company's shareholders and the other stakeholders, and also to fulfil the aspirations of the society and the communities in which it operates. The Board has complete access to any information within your Company. As a part of its function, your Board periodically reviews all the relevant information, which is required to be placed before it, pursuant to the Listing Regulations and, in particular, reviews and approves financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. Your Board monitors the Company's overall performance, directs and guides the activities of the Management towards the set goals, and seeks accountability. Your Board also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with the laws and regulations.

C. Board Meetings

During the year under review, the Board met 5 times on 7th May 2016, 11th August 2016, 28th October 2016, 30th January 2017 and 13th February 2017. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days. The Board periodically reviews all the relevant information, which is required to be placed before it pursuant to Schedule II to Regulation 17 of the Listing Regulations and, in particular, reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure, etc.

Details of attendance of Directors at the Board Meetings and last Annual General Meeting (AGM) held during the FY 2016-17 are as under:

Name of the Director	Executive/ Non-Executive/ Independent	Number of Board Meetings Attended	Attended Last AGM Held on 23rd September 2016
Mr. Kumar Mangalam Birla	Non-Executive	4	No
Mrs. Rajashree Birla	Non-Executive	4	No
Mr. M. L. Apte	Independent	5	Yes
Mr. B. V. Bhargava	Independent	5	Yes
Mr. R. C. Bhargava [1]	Independent	2	No
Dr. Thomas Martin Connelly Jr.	Independent	5	No
Mr. Cyril Shroff	Independent	2	No
Mr. O. P. Rungta	Independent	5	Yes
Mr. Arun Kannan Thiagarajan	Independent	3	No
Mr. Shailendra K. Jain	Non-Executive	5	Yes
Mr. N. Mohan Raj (representing equity interest of LIC)	Nominee Director	5	Yes
Mr. K. K. Maheshwari [2]	Non-Executive	1	Yes
Mr. Dilip Gaur	Managing Director	5	Yes
Mr. Sushil Agarwal	Whole-time Director	4	Yes

1 resigned as Director of the Company, w.e.f. 1st October 2016.

2 resigned as Director of the Company, w.e.f. 27th December 2016.

D. Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 6th May 2016, without the presence of Non-Independent Directors and members of the management, to discuss the matters as required under Schedule IV of the Act and the Listing Regulations. The meeting was attended by Mr. M. L. Apte, Mr. B. V. Bhargava, Dr. Thomas Martin Connelly Jr., Mr. O. P. Rungta and Mr. R. C. Bhargava.

E. Code of Conduct

The Board of Directors has laid down a Code of Conduct ("the Code") for all Board Members and Senior Management Personnel of your Company, which is available on the Company's website, www.grasim.com.

All Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director is attached, and forms part of this Report.

F. Training, Induction and Familiarisation Programme

Letters of appointment, stipulating the terms of appointment, role, rights and responsibilities are issued to the Independent Directors at the time of their appointment. Your Company conducts introductory familiarisation programme, *inter alia* covering the nature of the industry in which the Company operates, business model of the Company, etc., when a new Independent Director joins the Board of the Company.

On an on-going basis, the Directors are familiarised with the Company's business, its operations, strategy, functions, policies and procedure at the Board and Committee meetings. Changes in regulatory framework and its impact on the operations of the Company are also presented at the Board/Committee meetings. The Directors are also appraised about risk assessment and minimisation procedures.

The details of familiarisation programme, imparted to the Independent Directors during the FY 2016-17, have been disclosed on the Company's website, www.grasim.com.

G. Performance Evaluation

A formal Evaluation Framework for evaluation of the Board's performance, performance of its Committees and individual Directors of the Company, including the Chairman of the Board, in terms of the requirement of the Act and the Listing Regulations, is in place. In terms of the Evaluation Framework, the Board has carried out the annual performance evaluation of its own performance, the Directors individually and the working of its Committees. Criteria for evaluation *inter alia* includes, providing strategic perspective, Chairmanship of the Board and its Committees, attendance and preparedness for the meetings, contribution at the meetings and role of the Committees.

H. Prevention of Insider Trading

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, your Company has formulated and adopted the Code of Conduct for Trading in Listed or Proposed to be Listed Securities of the Company (the Insider Trading Code). The main object of the Insider Trading Code is to communicate to all concerned a guideline, which they should imbibe and practice, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company.

COMMITTEES OF THE BOARD

During the FY 2016-17, the Company had 7 Committees of the Board of Directors, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Finance Committee and Merger Committee. The terms of reference of the Board Committees are determined by the Board, from time to time. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

A. Audit Committee

Your Company has a qualified and independent Audit Committee at the Board level with powers and role that are in accordance with the Act and the Listing Regulations.

The Audit Committee acts as a link between the management, the statutory and internal auditors, and the Board of Directors. The Audit Committee is provided with the necessary assistance and information, so as to enable it to carry out its function effectively.

Composition and Attendance during the Year

The Audit Committee comprises of three Non-Executive – Independent Directors, as on 31st March 2017, who are financially literate and have accounting

or related financial management expertise. The composition of the Audit Committee complies with the requirements of the Act and the Listing Regulations.

During the year under review, 6 Audit Committee Meetings were held, on 7th May 2016, 11th August 2016, 7th October 2016, 28th October 2016, 30th January 2017 and 20th March 2017.

The composition of the Audit Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Arun Kannan Thiagarajan, Chairman[1]	Non-Executive – Independent	6	4
Mr. B. V. Bhargava	Non-Executive – Independent	6	6
Mr. R. C. Bhargava[2]	Non-Executive – Independent	6	2
Mr. M. L. Apte	Non-Executive – Independent	6	6

[1] Appointed as Chairman, w.e.f. 30th January 2017.

[2] Ceased to be a member of the Committee upon his resignation from the Board, w.e.f. 1st October 2016.

The Managing Director and the Whole-time Director & Chief Financial Officer are permanent invitees to the Audit Committee Meetings. The Joint Statutory Auditors and the Internal Auditor of the Company are also invited to the Audit Committee Meetings. Representatives of Cost Auditors are invited to the Audit Committee Meetings, whenever matters relating to the Cost Audit are considered.

Mrs. Hutokshi Wadia, Company Secretary, acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee, as on the date of last AGM, was present at the last AGM of the Company held on 23rd September 2016.

Brief Description of Terms of Reference

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

   (a) matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section (3) of Section 134 of the Act;

   (b) changes, if any, in accounting policies and practices and reasons for the same;

   (c) major accounting entries involving estimates based on the exercise of judgement by the management;

   (d) significant adjustments made in the financial statements arising out of audit findings;

   (e) compliance with the listing and other legal requirements relating to the financial statements;

   (f) disclosure of any related party transactions; and

   (g) modified opinion(s) in the draft audit report.

5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;

8. approval or any subsequent modification of transactions of the Company with related parties;

9. scrutiny of inter-corporate loans and investments;

10. valuation of undertakings or assets of the Company, wherever it is necessary;

11. evaluation of internal financial controls and risk management systems;

12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. discussion with internal auditors of any significant findings and follow up thereon;

15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. discussion with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern;

17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. to review the functioning of the whistle-blower mechanism;

19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc., of the candidate; and

20. carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee mandatorily reviews the following information:

(1) Management Discussion and Analysis of financial condition and results of operations;

(2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

(3) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;

(4) Internal audit reports relating to internal control weaknesses;

(5) the appointment, removal and terms of remuneration of the Chief Internal Auditor; and

(6) Statement of deviations:

(a) quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulation; and

(b) annual statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulation.

Vigil Mechanism/Whistle-Blower Policy

The Company has a Whistle-Blower Policy that provides a formal vigil mechanism for directors and employees to report genuine concerns about the unethical behaviour, actual or suspected frauds of violation of the Company's Code of Conduct or Ethics Policy. The said mechanism also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been uploaded on the website of the Company, www.grasim.com. The policy is in line with the Company's Code of Conduct, Vision and Values, and forms part of good Corporate Governance.

B. Nomination and Remuneration Committee

The Board of Directors has constituted the Nomination and Remuneration Committee (NRC) in accordance with the Act and the Listing Regulations.

Composition, Meetings, and Attendance during the Year

The NRC comprises of 3 Non-Executive Directors, of which 2 are Independent Directors.

During the year under review, 3 NRC Meetings were held on 7th May 2016, 28th October 2016 and 29th March 2017.

The composition of the NRC and the details of the meetings attended by the Members are given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. M. L. Apte, Chairman	Non-Executive – Independent	3	3
Mr. Cyril Shroff	Non-Executive – Independent	3	1
Mr. Kumar Mangalam Birla	Non-Executive	3	3

Mrs. Hutokshi Wadia, Company Secretary, acts as the Secretary to the NRC.

Mr. M. L. Apte, the Chairman of the NRC, was present at the last AGM of the Company, held on 23rd September 2016.

Brief Description of Terms of Reference

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(6) ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and senior management of the quality required to run the Company successfully;

(7) ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(8) ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentives pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals; and

(9) review and implement succession plans for Managing Director, Executive Directors and Senior Management.

Remuneration Policy

The Company has formulated and adopted Executive Remuneration Philosophy/Policy, of Directors, Key Managerial Personnel and other Senior Management of the Company, and the same is disclosed in this Annual Report.

Remuneration of Directors

All decisions relating to the remuneration of the Directors were taken by the Board of Directors of the Company in accordance with the Shareholders' approval on recommendation of Nomination and Remuneration Committee, wherever necessary.

Sitting fee is paid to the Non-Executive/Independent Directors for attending Board/Committee Meetings, as under:

Board/Board Committee	Sitting Fee Per Meeting(₹)
Board	50,000/-
Audit Committee and Merger Committee	25,000/-
All other Committees	20,000/-

In addition to the payment of sitting fees, the Company also pays commission to the Non-Executive/ Independent Directors of the Company. The amount of the commission payable to the Non-Executive/ Independent Directors is determined after assigning

weightage to various factors, which *'inter alia'* include providing strategic perspective, Chairmanship and contributions made by the Directors other than in meetings, type of the meeting and responsibilities under various statutes, etc. For the financial year 2016-17, the Board has approved payment of ₹ 12 Crore as commission to the Non-Executive/Independent Directors.

Details of remuneration paid/to be paid to the Directors for the year under review are as under:

(₹ in Lakh)

Name of the Director	Commission[1]	Sitting Fees (for Board and its Committees)
Mr. Kumar Mangalam Birla	1,000.00	2.60
Mrs. Rajashree Birla	55.00	2.40
Mr. M. L. Apte	25.00	6.90
Mr. B. V. Bhargava	28.00	6.20
Mr. R. C. Bhargava [2]	11.00	1.70
Mr. Cyril Shroff	8.00	1.20
Mr. N. Mohan Raj [3]	10.00	2.50
Dr. Thomas M. Connelly Jr.	10.00	2.50
Mr. O. P. Rungta	14.00	3.00
Mr. Shailendra K. Jain	20.00	2.90
Mr. Arun Kannan Thiagarajan	19.00	3.20
Mr. K. K. Maheshwari [4]	-	0.50
Mr. Dilip Gaur	Nil	Nil
Mr. Sushil Agarwal	Nil	Nil
Total	**1,200.00**	**35.60**

[1] Directors' Commission amount is exclusive of applicable tax, which shall be borne by the Company.

[2] resigned as Director of the Company, w.e.f. 1st October 2016.

[3] Commission is payable to LIC, and Sitting Fee is paid to Mr. N. Mohan Raj.

[4] resigned as Director of the Company, w.e.f. 27th December 2016.

Notes:

- No Director is related to any other Director on the Board, except for Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son and mother, respectively.
- There has been no pecuniary relationship or transaction between your Company and its Non-Executive Directors for the financial year under review.
- The Company has a policy of not advancing any loans to its Directors, except to the Executive Directors in the course of normal employment.
- Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspiration with the organisation's goal.

Details of remuneration paid/to be paid to the Executive Directors for the year under review are as under:

(₹ in Lakh)

Executive Directors	Salary, Benefits, Bonus, Pension, etc., Paid during the Year	Performance-linked Incentive Paid during the Year *	Service Contract, Notice Period and Severance Fees**	Stock Option Details, if any
Mr. Dilip Gaur (Managing Director)	365.51	--	--	#
Mr. Sushil Agarwal (Whole-time Director and CFO)	258.09	96.95		
Mr. K. K. Maheshwari ##	--	429.87	--	--
Mr. Adesh Gupta ##	--	20.08	--	--

* The Board has approved payment of performance-linked variable pay for the FY 2015-16 as aforesaid to the Managing Director and Whole-time Director on achievement of the targets.

** The Managing Director and Whole-time Director's appointment can be terminated by three months' notice in writing on either side, and no severance fees are paid to the Directors of the Company.

In terms of the Company's Employee Stock Options Scheme-2013, 30,440 Stock Options and 4,165 Restricted Stock Units (RSUs) (representing figures post-sub-division adjustment of equity shares) have been granted to Mr. Dilip Gaur.

The performance-linked variable pay has been paid on achievement of the targets for FY 2015-16 as aforesaid to Mr. K. K. Maheshwari for his tenure as Managing Director and to Mr. Adesh Gupta for his tenure as Whole-time Director and CFO.

All decisions relating to the remuneration of the Managing Director and the Whole-time Director are taken by the Board based on the Remuneration Policy and in terms of the resolution passed by the Shareholders of the Company.

Employee Stock Options Scheme

a. ESOS-2006

During the year under review, the Nomination and Remuneration Committee (NRC) of the Board of Directors vested 10,650 Stock Options (representing figures post-sub-division adjustment of equity shares) to the eligible employees, subject to the provisions of the ESOS-2006, statutory provisions, as may be applicable from time to time, and the rules and procedures set out by your Company in this regard. Further, the Stakeholders' Relationship Committee of the Board of Directors allotted 55,260 Equity Shares of ₹ 2/- of your Company (representing figures post-sub-division adjustment of equity shares) to Options Grantees pursuant to the exercise of the Stock Options under ESOS-2006.

b. ESOS-2013

During the year under review, the Company granted 47,485 Stock Options and 6,500 RSUs (representing figures post-sub-division adjustment of equity shares) to the eligible employees, including Managing Director of the Company. Each option entitles the holder to apply for and to be allotted one equity share of ₹ 2/- each of the Company upon payment of the exercise price during the exercisable period. The exercisable period commenced from the date of vesting of the options and expires at the end of 5 years from the date of such vesting.

During the year under review, the NRC of the Board of Directors vested 1,97,355 Stock Options and 1,44,045 RSUs (representing figures post-sub-division adjustment of equity shares) to the eligible employees, subject to the provisions of the ESOS-2013, statutory provisions, as may be applicable from time to time, and the rules and procedures set out by your Company in this regard. Further, the Stakeholders' Relationship Committee of the Board of Directors allotted 51,320 Equity Shares of ₹ 2/- of your Company (representing figures post-sub-division adjustment of equity shares) to Stock Options and RSUs Grantees pursuant to the exercise of the Stock Options and RSUs under ESOS-2013.

C. Stakeholders' Relationship Committee

Your Company has a Stakeholders' Relationship Committee of the Board of Directors to resolve the grievances of the security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Composition, Meeting and Attendance during the Year

The Stakeholders' Relationship Committee comprises of 3 Independent Directors and 1 Executive Director.

During the year under review, 2 Stakeholders' Relationship Committee Meetings were held on 24th October 2016 and 29th March 2017.

The composition of the Stakeholders' Relationship Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava, Chairman	Non-Executive – Independent	2	2
Mr. Cyril Shroff	Non-Executive – Independent	2	-
Mr. M. L. Apte	Non-Executive – Independent	2	2
Mr. Sushil Agarwal	Whole-time Director and CFO	2	2

Mrs. Hutokshi Wadia, Company Secretary, is the Compliance Officer and also acts as Secretary to the Committee.

Your Company's shares are compulsorily traded in the dematerialised form. To expedite transfers in the physical segment, necessary authority has been delegated by your Board of Director(s) and Officer(s) of your Company to approve transfers/transmissions of shares/debentures.

Details of share transfers/transmissions approved by the Directors and Officers are placed before the Board.

Role

The Committee looks into:

- issues relating to share/debenture holders including transfer/transmission of shares/ debentures;
- issue of duplicate share/debenture certificates;
- non-receipt of dividends;
- non-receipt of annual report;
- non-receipt of share certificates after transfers;
- delay in transfer of shares;
- any other complaints of shareholders.

Shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending complaints

The details of shareholders' complaints received and redressed, number of shares transferred, time taken to process these transfers and number of complaints pending are given in the Shareholders' Information section of this Annual Report.

D. Corporate Social Responsibility Committee (CSR Committee)

Your Company has a CSR Committee of the Board of Directors, which assists the Board in discharging its social responsibility by way of formulating, monitoring and implementing the Corporate Social Responsibility Policy (CSR Policy).

Composition and Attendance during the Year

The CSR Committee comprises of 3 Non-Executive Directors and 1 Executive Director. Dr. (Mrs.) Pragnya Ram, Group Executive President, Corporate Communications and CSR, is a permanent invitee to the CSR Committee meetings.

During the year under review, 2 CSR Committee meetings were held on 6th May 2016 and 29th March 2017.

The composition of the CSR Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mrs. Rajashree Birla, Chairperson	Non-Executive	2	2
Mr. B. V. Bhargava	Non-Executive – Independent	2	2
Mr. Shailendra K. Jain	Non-Executive	2	2
Mr. Dilip Gaur	Managing Director	2	1

Mrs. Hutokshi Wadia, Company Secretary, acts as the Secretary to the Committee.

E. Risk Management Committee

Your Company has a Risk Management Committee, constituted in line with the provisions of the Listing Regulations, which comprises of Non-Executive Independent Directors and Senior Executives of the Company.

The terms of reference of the Risk Management Committee, *inter alia* include implementation of Risk Management Framework for identification, assessing, monitoring, reviewing and mitigation of the risks associated with the Company.

During the year under review, the Risk Management Committee meetings were held on 2nd April 2016 and 7th October 2016.

The composition of the Risk Management Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava	Non-Executive – Independent	2	2
Mr. Arun Kannan Thiagarajan	Non-Executive – Independent	2	1
Mr. M. L. Apte	Non-Executive – Independent	2	2
Mr. R. C. Bhargava[1]	Non-Executive – Independent	2	1
Mr. Dilip Gaur	Managing Director	2	2
Mr. Sushil Agarwal	Whole-time Director and CFO	2	2
Mr. H. K. Agarwal	COO – Fibre	2	1
Mr. E.R. Raj Narayanan [2]	Group Executive President – Chemical Business	2	1
Mr. Thomas Varghese	Business Head – Textiles	2	0
Mr. K. C. Jhanwar [3]	Ex-Group Executive President – Chemical Business	2	1

[1] Ceased to be a member of the Committee upon his resignation from the Board, w.e.f. 1st October 2016.
[2] Appointed as Member, w.e.f. 7th May 2016.
[3] Member upto 7th May 2016.

F. Finance Committee

Your Company has a Finance Committee of the Board of Directors, to facilitate the operations of the Company.

Brief Description of Terms of Reference

- To avail fund-based and non-fund-based facilities from Bank(s)/Financial Institution(s), upto the limits fixed by the Board;
- To authorise officers of the Company in the matter of availment of secured and unsecured loans;
- To approve opening and operation of Bank Accounts;
- To approve execution of Power of Attorneys, and other agreements and documents;
- To approve signing of agreements with the regulatory authorities and to authorise officers of the Company for performing acts required under various laws.

Composition and Attendance during the Year

Finance Committee of the Board of Directors comprises of 2 Non-Executive – Independent Directors, and 1 Executive Director.

During the year under review, 5 Finance Committee meetings were held on 2nd May 2016, 30th June 2016, 24th October 2016, 20th January 2017 and 20th March 2017.

The composition of the Finance Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava, Chairman	Non-Executive – Independent	5	5
Mr. M. L. Apte	Non-Executive – Independent	5	5
Mr. Sushil Agarwal	Whole-time Director and CFO	5	5

G. Merger Committee

Your Company has constituted a Merger Committee of the Board of Directors to facilitate the process of sanctioning of the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited), and their respective shareholders and creditors. This Committee comprises of 3 Non-Executive – Independent Directors, and 2 Executive Directors. During the year under review, the Merger Committee meeting was held on 24th October 2016 and 24th January 2017.

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. M. L. Apte, Chairman	Non-Executive – Independent	2	2
Mr. Arun Kannan Thiagarajan	Non-Executive – Independent	2	2
Mr. O. P. Rungta	Non-Executive – Independent	2	2
Mr. Dilip Gaur	Managing Director	2	2
Mr. Sushil Agarwal	Whole-time Director and CFO	2	2

SUBSIDIARY COMPANIES

Your Company does not have any material non-listed Indian subsidiary company as defined under the Listing Regulations. The Company has formulated a Policy for Determining Material Subsidiaries, which is disclosed on the Company's website, www.grasim.com.

The Audit Committee reviews the financial statements and, in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings as well as the statements of all significant transactions of the Unlisted Subsidiary Companies are placed before the Board of Directors of the Company for its review.

GENERAL BODY MEETINGS

Details of the General Meetings

Details of the General Meetings of the Company held in the last 3 years along with details of Special Resolutions, as more particularly set out in the respective notices of such General Meetings, as passed by the Members, are as follows:

Financial Year/ Type of Meeting	Date and Time	Location	Particulars of Special Resolution
2013-14 67th Annual General Meeting	6th September 2014, 11.30 a.m.	Birlagram, Nagda - 456 331 Madhya Pradesh	• Appointment and Remuneration of Mr. Adesh Kumar Gupta as Whole-time Director and Chief Financial Officer of the Company • Borrowing powers under Section 180(1)(c) of the Companies Act, 2013 • Creation of mortgage, charge(s), etc., under Section 180(1)(a) of the Companies Act, 2013 • Adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013
2014-15 68th Annual General Meeting	19th September 2015, 11.30 a.m.		• Approval for issue of Non-Convertible Debentures on private placement basis • Approval for maintaining registers of members, debenture holders and other security holders and related registers/records at a place other than the Registered Office of the Company
2015-16 Court Convened Meeting	10th June 2015, 11.30 a.m.		• Resolution passed for amalgamation of Aditya Birla Chemicals (India) Ltd. with Grasim Industries Limited
2015-16 69th Annual General Meeting	23rd September 2016, 11.30 a.m.		• Payment of Commission to Non-Executive Directors of the Company • Issuance of Non-Convertible Debentures on private placement basis • Alteration of Articles of Association of the Company
2016-17 Extraordinary General Meeting	10th October 2016, 11.30 a.m.		• Increase in limit for investment in the equity share capital of the Company by Registered Foreign Portfolio Investors including Foreign Institutional Investors
2016-17 Extraordinary General Meeting	3rd March 2017, 11.00 a.m.		• Increase in limit for investment in the equity share capital of the Company by Registered Foreign Portfolio Investors including Foreign Institutional Investors

POSTAL BALLOT

Details of resolution passed through postal ballot are as follow:

Postal Ballot and E-Voting:

Purpose: To seek approval of the Shareholders for the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited, and their respective shareholders and creditors.

Postal Ballot and E-Voting Period: 6th March 2017 to 5th April 2017

Date of NCLT Convened Meeting: 6th April, 2017

Details of Voting:

A) Combined voting results of Postal Ballot, E-Voting and Voting at the National Company Tribunal convened Meeting of the Equity Shareholders:

No. of Shares Held by Shareholders	No. of valid Votes polled	No. of Votes in favour	No. of Votes against
46,68,09,205	31,77,59,684	30,48,74,533	1,28,85,151

B) Voting results pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015 (SEBI Circular) (Voting by Public Shareholders):

No. of Shares Held by Shareholders	No. of valid Votes polled	No. of Votes in favour	No. of Votes against
32,08,14,605	19,53,05,544	18,24,22,073	1,28,83,471

Person who conducted the Postal Ballot exercise: Mr. Ashish Garg, Practising Company Secretary (Membership No. FCS 5181/CP 4423), Indore, was appointed to act as the Scrutiniser for conducting the postal ballot, E-voting exercise and voting at the venue of the Meeting.

MEANS OF COMMUNICATION

- Copies of the Press Release and Quarterly Presentations on the Company's performance made to Institutional Investors/Analysts are hosted on the website of the Company, www.grasim.com, and the Group's website, www.adityabirla.com.
- Quarterly results:

  Results are normally published in:

Newspaper	Cities of Publication
Business Standard	All Editions
Nai Dunia	Indore Edition

  Results are displayed on our websites: www.grasim.com and www.adityabirla.com
- All Official news releases and Presentations made to Institutional Investors/Analysts are also displayed on our Websites.
- Disclosures pursuant to various provisions of Listing Regulations, as applicable, are promptly communicated to the stock exchanges where the shares of your Company are listed, and are displayed by them on their websites.

DISCLOSURES

(i) Details of materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large

During the year under review, no materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large, have been entered into. All contracts/arrangements/transactions entered into by your Company with its related parties were on an arm's length basis and in the ordinary course of business. Attention of the members is drawn to Note 4.5.4 to the Standalone Financial Statements, forming part of the Annual Report, which set out the related party disclosures. A policy on dealing with related party transactions has been uploaded on the website of the Company, www.grasim.com.

(ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years

The Company has complied with all the provisions of Listing Regulations, as well as regulations and guidelines of Securities and Exchange Board of India (SEBI). There have been no instances of non-compliance by the Company on any matters related to capital markets during the last 3 years and, hence, no penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.

(iii) Details of the Directors seeking appointment/re-appointment have been provided in the Notice of the Annual General Meeting.

(iv) Proceeds from Public Issues, Rights Issues, Preferential Issues, etc.

During the year under review, the Company has not raised any proceeds by way of public issue, rights issue or preferential issue.

(v) Management Discussion and Analysis Report/ Disclosure of Accounting Treatment

(a) Management Discussion and Analysis Report is forming part of the Annual Report and is in accordance with the requirements laid out in the Listing Regulations.

(b) Your Company follows all relevant Accounting Standards while preparing the Financial Statements.

(vi) Status of Compliance of Non-Mandatory Requirement

A. The Board

The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities.

B. Shareholder Rights

The quarterly, half-yearly and annual financial results of the Company are published in the newspapers on an all India basis, and are also posted on Company's website. The significant events are also posted on Company's website under Investor Section.

C. Modified Opinion(s) in Audit Report

The Auditors have issued unqualified opinion on the Financial Statements of the Company.

D. Separate Posts of Chairman and Managing Director

The position of the Chairman of the Board of Directors and the Managing Director is separate.

E. Reporting of Internal Auditors

The internal auditors report directly to the Audit Committee.

(vii) Policy on Preservation of Documents

As required under Regulation 9 of Listing Regulations, the Board of Directors of the Company has approved the Policy for Preservation of Documents. The same has been implemented in the Company with effect from 1st December 2015, and has been uploaded on the website of the Company www.grasim.com.

(viii) Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges

As required under Regulation 30 of Listing Regulations, the Board of Directors of the Company has approved the Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges, which is effective from 1st December 2015, and has been uploaded on the website of the Company, www.grasim.com.

The Board of Directors of the Company has authorised the Key Managerial Personnel of the Company to determine materiality of an event or information and for making disclosures to Stock Exchanges under the said regulation.

(ix) Code of Practices and Procedures for fair disclosure of unpublished price sensitive information

Pursuant to Regulation 8 in Chapter IV of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, during the year, approved and adopted the "Grasim Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". The Code has been uploaded on the website of the Company, www.grasim.com.

REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report forms part of the Annual Report. The Company is fully compliant with all the provisions of Listing Regulations, as applicable to the Company.

COMPLIANCES

(i) Your Company confirms the compliances with Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (b to i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

(ii) Certificate from the Statutory Auditors, confirming compliance with all the conditions of Corporate Governance as stipulated in Listing Regulations, is given as **Annexure 'C'** to the Board's Report and forms part of this Annual Report.

(iii) There is a separate section for General Shareholder Information, which forms part of the Annual Report.

(iv) Name and Designation of Compliance Officer: Mrs. Hutokshi Wadia, President and Company Secretary.

(v) CEO/CFO Certification:

The Managing Director and the Chief Financial Officer of your Company have issued the necessary certificate pursuant to the provisions of Listing Regulations, and the same is attached to this Report.

Mumbai, 19th May 2017

CODE OF CONDUCT

DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management for the year ended 31st March 2017.

Dilip Gaur
Managing Director
[DIN : 02071393]

Mumbai
19th May 2017

CEO/CFO CERTIFICATION

The Board of Directors

Grasim Industries Limited

We certify that:

(a) We have reviewed the Financial Statements and the Cash Flow Statement of Grasim Industries Limited for the year 31st March 2017, and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

  (i) significant changes in the internal control over financial reporting during the year;

  (ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Grasim Industries Limited

Dilip Gaur	Sushil Agarwal
Managing Director	Whole-time Director & CFO
[DIN : 02071393]	[DIN : 00060017]

Place: Mumbai
Date: 19th May 2017

SHAREHOLDER INFORMATION

1. Annual General Meeting

Date and Time	:	Friday, 22nd September 2017 at 11.00 a.m.
Venue	:	At the Registered Office of the Company, Grasim Staff Club, Birlagram, Nagda - 456 331, Madhya Pradesh, India

2. Financial Calendar for Reporting

Financial Year of the Company	:	1st April to 31st March
For the quarter ending 30th June, 2017	:	July/By14th August, 2017
For the quarter/half-year ending 30th September, 2017	:	October/By 14th November, 2017
For the quarter ending 31st December, 2017	:	January/By 14th February, 2018
For the quarter/year ending 31st March, 2018	:	April/May 2018
71st Annual General Meeting for the Year ending 31st March 2018	:	August/September 2018

3. Dates of Book Closure : Tuesday, 12th September 2017 to Friday, 22nd September 2017 (both days inclusive)

4. Dividend Payment Date : On or after 25th September, 2017

5. Registered Office : Birlagram, Nagda - 456 331, Madhya Pradesh, India
Tel: (07366) 246760–246766, 255151
Fax: (07366) 244114/246024
E-mail: grasim.secretarial@adityabirla.com

6. Website : www.grasim.com / www.adityabirla.com

7. Corporate Identification Number (CIN) : L17124MP1947PLC000410

8. Listing Details:

(a) Listing on Stock Exchanges:

Equity Shares	Non-Convertible Debentures	Global Depository Receipts (GDRs)
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Tel: 022 22721233/34 Fax: 022-22723121/ 3719/ 2037/ 2039 Web: www.bseindia.com	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	**Luxembourg Stock Exchange (LSE)** Societe de la Bourse de Luxembourg P.O. Box 165, L-2011 Luxembourg, Grand Duchy of Luxembourg
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C–1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Tel: 022 26598100/8114 Fax: 022-26598237/8238 Web: www.nseindia.com		

Note: Annual Listing Fees for the financial year 2017-18 has been paid to all the Stock Exchanges, and no amount is outstanding. Listing Fees for the GDRs has been paid to Luxembourg Stock Exchange (LSE) for the calendar year 2017.

(b) Overseas Depository for GDRs:

Citibank N.A.
Depository Receipt Services
388, Greenwich Street, 14th Floor,
New York, NY – 10013
Tel: +212–723–4483; Fax: +212–723–8023

(c) Domestic Custodian of GDRs:

Citibank N.A.
Custody Services
FIFC, 11th Floor, C 54 & 55, G Block,
Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
Tel: 91-22-61757110; Fax: 91-22-26532205

(d) Debt Securities

Wholesale Debt Market (WDM) segment of BSE

Debenture Trustees:

IDBI Trusteeship Services Limited
(for 29th, 30th and 31st Series Debentures)
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai-400001
Tel: +91 022 40807000; Fax: +91 022 40807080
E-mail: itsl@idbitrustee.com

9. Stock Code:

	Stock Code	Reuters	Bloomberg
BSE	500300	GRAS.BO	GRASIM IB
NSE	GRASIM	GRAS.NS	GRASIM IS
LSE	-	GRAS.LU	GRAS LX
ISIN No. of Equity Shares	INE047A01021	-	-
ISIN No. of GDRs	US3887061030 CUSIP No. 388706103	-	-

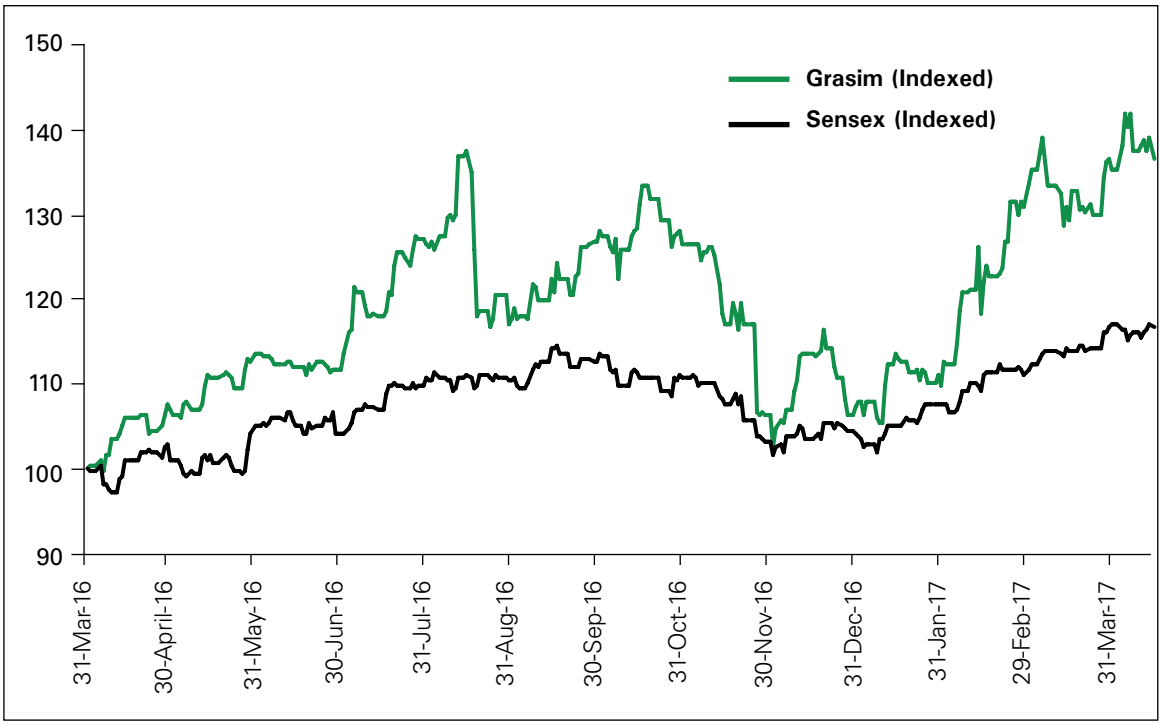
10. Stock Price Data:

Month	BSE				NSE				LSE		
	High	Low	Close	No. of Shares Traded	High	Low	Close	No. of Shares Traded	High	Low	Close
	(₹)			(Nos.)	(₹)			(Nos.)	(US$)		
Apr-16	828.49	765.00	816.85	7,49,405	829.40	762.20	817.35	64,51,395	12.5	11.5	12.3
May-16	880.88	808.80	871.14	10,63,410	880.87	810.00	871.39	60,70,885	14.1	12.0	13.0
Jun-16	934.20	850.00	930.87	7,32,370	939.56	847.99	933.13	86,44,580	13.8	11.5	13.8
Jul-16	990.73	902.88	977.25	9,23,355	989.98	904.00	978.90	1,13,07,660	14.7	12.8	14.6
Aug-16	1,069.70	832.00	934.16	26,23,240	1,072.21	831.11	933.99	3,32,62,195	16.0	13.3	14.0
Sep-16	994.65	907.26	966.55	21,19,360	995.20	907.40	967.31	1,40,18,145	15.0	13.6	14.5
Oct-16	997.80	952.95	971.35	52,24,835	998.29	952.25	970.5	4,75,35,955	15.4	14.3	14.5
Nov-16	979.00	781.80	871.45	13,26,936	978.85	781.90	870.30	19,68,776	14.6	11.5	12.7
Dec-16	940.00	800.05	861.45	9,37,794	899.00	800.05	862.75	14,27,251	13.3	11.0	12.7
Jan-17	1,004.10	838.00	910.75	11,78,959	1,005.55	836.65	910.55	2,22,54,851	14.5	11.8	13.5
Feb-17	1,077.20	920.00	992.55	15,72,726	1,077.40	920.00	990.20	59,34,821	16.0	13.9	14.9
Mar-17	1,098.00	976.65	1,049.40	13,03,146	1,098.10	975.80	1,049.00	3,00,00,224	17.8	14.9	16.2

One Equity Share of ₹ 10/- each has been sub-divided into five Equity Shares of ₹ 2/- each. Accordingly, the number of shares and volumes have been adjusted.

11. Stock Performance:

Performance of Equity Share Price of the Company in comparison to the BSE Sensex:



12. Stock Performance and Returns:

Absolute Returns

(In Percentage)	1 Year	3 Years	5 Years
GRASIM	36.44%	81.61%	99.65%
BSE Sensex	16.88%	32.32%	70.19%
NSE Nifty	18.55%	36.84%	73.24%

Annualised Returns

(In Percentage)	1 Year	3 Years	5 Years
GRASIM	36.44%	22.01%	14.83%
BSE Sensex	16.88%	9.78%	11.22%
NSE Nifty	18.55%	11.02%	11.62%

13. Registrar and Transfer Agents

(For share transfers and other communications relating to share certificates, dividends and change of address, etc.)

:

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31 - 32,
Financial District, Nanakramguda, Gachibowli,
Hyderabad – 500 032
Tel: 040 67162222
Fax: 040 23420814
E-mail ID : grasim.ris@karvy.com
E-mail ID for Investor Complaints:
grasim.secretarial@adityabirla.com

14. Share Transfer System:

95.28% of the Equity Shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be sent at the office of Karvy Computershare Pvt. Ltd., the Registrar and Transfer Agent (RTA) of the Company.

Share transfers in physical form are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects.

Details of Share Transfer during the Financial Year 2016-17				
Transfer Period (in Days)	No. of Transfers	No. of Shares	%	Cumulative Total %
1 – 5	31	2,115	8.09	8.09
6 – 15	248	24,020	91.91	100.00
Total	**279**	**26,135**	**100.00**	**100.00**

As on 31st March, 2017, no transfer of share was pending.

During the year, there were no major legal proceedings relating to transfer of shares.

15. Investor Services:

Complaints received during the year ended 31st March, 2017:

Nature of Complaints (relating to)	2016-17	
	Received	Cleared
Opening Pending Complaints	-	-
Transfer, Transmission, Duplicate Shares, Change of Address, etc.	15	15
Annual Report	5	5
Dividend	8	8
TOTAL	**28**	**28**

16. Distribution of Shareholding as on 31st March, 2017:

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% Shareholding
1 – 100	77,355	50.74	29,46,122	0.63
101 – 200	30,708	20.14	47,74,039	1.02
201 – 500	26,780	17.57	86,67,445	1.86
501 – 1000	9,072	5.95	65,66,047	1.41
1001 – 5000	7,094	4.65	1,41,27,055	3.03
5001 – 10000	643	0.42	44,22,669	0.95
10001 and above	810	0.53	42,53,33,733	91.11
Total	**1,52,462**	**100.00**	**46,68,37,110**	**100.00**

17. Categories of Shareholding as on 31st March, 2017:

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% Shareholding
Promoters and Promoter Group*	28	0.02	14,59,94,600	31.27
UTI and Mutual Funds	205	0.13	2,54,50,568	5.45
Banks, Financial Institutions and Insurance Companies	158	0.10	3,67,72,948	7.88
FIIs	431	0.28	14,57,81,019	31.23
GDRs*	2	0.00	2,45,22,957	5.25
NRIs/OCBs	4,457	2.92	1,59,73,027	3.42
Bodies Corporate	1,641	1.08	2,91,80,858	6.25
Individuals	1,45,540	95.46	4,31,61,133	9.25
Total	**1,52,462**	**100.00**	**46,68,37,110**	**100.00**

*Includes 2,40,11,520 GDRs held by Promoters/Promoter Group.

18. Dematerialisation of Shares and Liquidity:

95.28% of the outstanding Equity (including 10.40% of the Share Capital in the form of Global Depository Receipts) has been dematerialised as on 31st March, 2017. Trading in the shares of your Company is permitted only in dematerialised form. The Equity Shares of the Company are available for trading in the dematerialised form under both the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

• Held in Dematerialised mode in NSDL	:	93.80%
• Held in Dematerialised mode in CDSL	:	1.48%
Total		**95.28%**

19. Details on use of public funds obtained in the last three years

: No public funds has been obtained in the last three years.

20. Outstanding GDRs/ADRs/Warrants and outstanding Convertible Bonds

: 4,85,34,477 GDRs (Previous Year 6,22,72,860*) as on 31st March, 2017. Each GDR represents one underlying Equity Share. There are no ADRs, Warrants/Convertible Bonds outstanding as at the year end.

* reflects effect of Sub-Division

21. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

: Your Company hedge its foreign currency exposure in respect of its imports, borrowings and export receivables as per its laid down policies. Your Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps or a mix of all. Further, your Company also hedges its commodity price risk through fixed price swaps.

22. Secretarial Audit:

(a) Pursuant to the Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates have been issued, on a half-yearly basis, by a Practicing Company Secretary, certifying due compliance of share transfer formalities by the Company.

(b) A Company Secretary in Practice carries out quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted Share Capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in

physical form and the total number of shares in demat form (held with NSDL and CDSL). The said certificate is submitted quarterly to Stock Exchanges, NSDL and CDSL, and is also placed before the Board of Directors.

(c) Pursuant to Section 204 of the Companies Act, 2013, M/s. BNP & Associates, Practicing Company Secretaries, have conducted a Secretarial Audit of the Company for the financial year 2016-17. The Audit Report is annexed to the Board's Report. Further, M/s. BNP & Associates, Practicing Company Secretaries, have been appointed as the Secretarial Auditor of the Company for the financial year 2017-18.

23. Corporate Office and Plant Locations:

Corporate Office:

Name	Address	Phone Nos.	Fax Nos.
Corporate Office	A-2, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai-400 030	(022) 24995000/66525000	(022) 24995114, 66525114

Plant Locations:

Fibre and Pulp Plants:

Name	Address	Phone Nos.	Fax Nos.
Staple Fibre Division	Birlagram, Nagda – 456 331 Madhya Pradesh	(07366) 246760-66	(07366) 244114, 246024
Harihar Polyfibres & Grasilene Divisions	Harihar, Kumarapatnam – 581 123 District: Haveri Karnataka	(08373) 242171-75	(08373) 242875, (08192) 247555
Birla Cellulosic Division	Birladham, Kharach Kosamba – 394 120 District: Bharuch, Gujarat	(02646) 270001-05	(02646) 270010, 270310
Grasim Cellulosic Division	Plot No. 1, GIDC Vilayat Industrial Estate P. O. Vilayat – 392 012 Taluka: Vagra, District: Bharuch Gujarat	(02642) 291214	-
Chemical Plants:			
Grasim Chemical Division	Birlagram, Nagda – 456 331 Madhya Pradesh	(07366) 246760-66	(07366) 246176, 245845, 246097
Grasim Chemical Division	Plot No. 1, GIDC Vilayat Industrial Estate P. O. Vilayat – 392 012 Taluka: Vagra, District: Bharuch Gujarat	08347008059	-
Grasim Chemical Division	Garhwa Road P. O. Rehla – 822 124 District: Palamau Jharkhand	(06584) 262221, 262211	(06584) 221205
Grasim Chemical Division	P. O.Binaga – 581 307 Karwar District: Uttar Kannada Karnataka	(08382) 230514, 230174 and 230178	(08382) 230468

Name	Address	Phone Nos.	Fax Nos.
Grasim Chemical Division	P. O. Renukoot – 231 217 District: Sonebhadra Uttar Pradesh	(05446) 252044, 252055, 252075	(05446) 253378
Grasim Chemical Division	P. O. Jayshree – 761 025 District: Ganjam Odisha	(06811) 254319, 254336	(06811) 254384
Epoxy Plant:			
Grasim Epoxy Division	Plot No. 1, GIDC Vilayat Industrial Estate P. O. Vilayat – 392 012 Taluka: Vagra, District: Bharuch Gujarat	(02641) 273206	-
Textile Plants:			
Vikram Woollens	GH I to IV, Ghironghi Malanpur – 477 117 District: Bhind Madhya Pradesh	(07539) 283602-03	(07539) 283339
Jaya Shree Textiles	P.O. Prabhas Nagar - 712 249 Dist Hooghly, West Bengal	(033) 26001200	-
Viscose Filament Yarn Plant:			
Indian Rayon Compound	Veraval - 362 266, Gujarat	(02876) 245711/248401	-
Insulator Plants:			
Aditya Birla Insulators, Rishra	P.O. Prabhas Nagar, Rishra Dist. Hoogly 712 249, West Bengal	(033) 26723535	-
Aditya Birla Insulators, Halol	P.O. Meghasar Taluka, Halol Dist. Panchmahal, Gujarat - 389330	(02676) 221002	-
Fertiliser Plant:			
Grasim Fertiliser Division	Indo Gulf Fertilisers P.O. Jagdishpur Industrial Area Dist. Amethi – 227 817, Uttar Pradesh	(05361) 270032-38	-

24. Address for Correspondence:

Registered Office	Registrar and Transfer Agents (RTA)
Birlagram, Nagda - 456 331, Madhya Pradesh, India Tel: (07366) 246760–246766, 255151 Fax: (07366) 244114/246024 E-mail: grasim.secretarial@adityabirla.com	**Karvy Computershare Pvt. Ltd.** Karvy Selenium Tower B, Plot No. 31 - 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032 Tel: 040 67162222 Fax: 040 23420814 E-mail ID: grasim.ris@karvy.com E-mail ID for Investor Complaints: grasim.secretarial@adityabirla.com

25. Corporate Benefits to Investors:

Dividend Declared during/for the last 10 Years:		
Financial Year	Date of Declaration	Dividend Per Share (₹)
2006-07	12.03.2007	27.50
2007-08	(Interim Dividend) 02.08.2008	30.00
2008-09	08.08.2009	30.00
2009-10	20.08.2010	30.00
2010-11	17.09.2011	20.00
2011-12	07.09.2012	22.50
2012-13	19.08.2013	22.50
2013-14	06.09.2014	21.00
2014-15	19.09.2015	18.00
2015-16	23.09.2016	22.50

26. Other Useful Information for Shareholders

PROCESS FOR IMPORTANT INVESTOR SERVICES

Share Transfer/Dematerialisation

Share transfer request for physical shares is acted upon within 15 days from the date of their receipt at the RTA of the Company. In case, no response is received from the Company within 30 days of lodgement of transfer request, the lodger should immediately write to the RTA of the Company with full details, so that necessary action can be taken to safeguard the interest of the concerned against any possible loss/interception during postal transit.

Dematerialisation requests, duly completed in all respects, are normally processed within 7 days from the date of receipt at the Company or its RTA.

Shareholders are requested to note that if the physical documents, viz., Dematerialisation Request Form (DRF), Share Certificates, etc., are not received from their concerned Depositary Participants (DPs) by the Company within a period of 15 days from the date of generation of the Dematerialisation Request Number (DRN) for dematerialisation, the DRN will be treated as rejected/cancelled. This step is being taken on the advice of National Securities Depository Limited (NSDL), so that no demat request remains pending beyond a period of 21 days.

In accordance with the provisions of Section 56(1) of the Companies Act, 2013, shares are required to be lodged within a period of 60 days from the date of execution of instrument of transfer. For expeditious transfer of shares in physical form, shareholders should fill in complete and correct particulars in the transfer deed.

Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.

Permanent Account Number (PAN)

Members, who hold shares in physical form, are advised that SEBI has made it mandatory that a self-attested copy of the PAN card of the transferee(s), members, surviving joint holders/legal heirs be furnished to the Company while making request for transfer, deletion of name of deceased joint holder, transposition of names and transmission of shares, as the case may be.

Nomination Facility for Shareholding

Section 72 of the Companies Act, 2013, extends nomination facility to individuals holding shares in physical form. Shareholders, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form, which can be downloaded from the website of the Company or obtained from the Company's RTA by sending a written request through any mode including E-mail on grasim.ris@karvy.com.

Change of Address and Furnishing of Bank Details

Shareholders holding shares in physical form should notify to the Company's RTA, change in their address with PIN Code number and Bank Account details by written request under the signatures of sole/first joint holder.

Beneficial Owners of shares in demat form should send their instructions regarding change of address, bank details, nomination, power of attorney, change in E-mail address, etc., directly to their DP, as the said records are maintained by the DPs.

To prevent fraudulent encashment of dividend warrants, Shareholders, who hold shares in physical form, should provide their Bank Account details to the Company's RTA, while those Shareholders, who hold shares in dematerialised form, should provide their Bank Account details to their DPs, for printing of the same on the dividend warrants.

Registering of E-mail Address

Shareholders, who have not yet registered their E-mail address for availing the facility of E-communication, are requested to register the same with the Company's RTA (in case the shares are held in physical form) or their DPs (in case the shares are held in dematerialised form) so as to enable the Company to serve them fast.

Loss of Shares

In case of loss/misplacement of shares, investors should **immediately lodge an FIR/Complaint with the police and inform to the Company/RTA** along with the original or certified copy of FIR/Acknowledged copy of Police Complaint along with a self-attested copy of their PAN card.

Non-Resident Shareholders

Non-Resident Shareholders are requested to immediately notify the following to the Company in respect of shares held in physical form, and to their DPs in respect of shares held in dematerialised form:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement;
- Particulars of the Bank Account maintained with a bank in India, if not furnished earlier;
- E-mail ID and Fax No.(s), if any; and
- RBI Permission number with date to facilitate prompt credit of dividend in their Bank Accounts.

Unclaimed Dividends

Pursuant to Sections 124 and 125 and other applicable provisions, if any, of the Companies Act, 2013, all unpaid and unclaimed dividends, remaining unpaid and unclaimed for a period of 7 (seven) years from the date they became due for payment, have been transferred to the General Reserve Account/Investor Education and Protection Fund (IEPF), established by the Central Government. Accordingly, the unpaid and unclaimed dividends upto the year ended 31st March, 2009, have already been transferred to the said Fund. Shareholders, who have so far not encashed the dividend warrant(s) for the year ended 31st March, 2010, or any subsequent years, are requested to make their claim in the prescribed form to the Company's RTA. This form can be downloaded from the Company's website www.grasim.com.

The details of unpaid/unclaimed dividends from 2009-10 onwards, are as under:

Due Date of Transfer of Unpaid/Unclaimed to IEPF			
Year	Grasim Industries Limited	Erstwhile Aditya Birla Chemicals Limited	Aditya Birla Nuvo Limited
2009-10	26th September, 2017	5th September, 2017	13th September, 2017
2010-11	24th October, 2018	7th September, 2018	5th October, 2018
2011-12	14th October, 2019	7th September, 2019	8th September,2019
2012-13	23rd September, 2020	9th October, 2020	13th October, 2020
2013-14	13th October, 2021	28th October, 2021	10th October, 2021
2014-15	26th October, 2022	31st October, 2022	14th October, 2022
2015-16	30th October, 2023	NA	26th September, 2023

Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account:

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more will be transferred to an IEPF suspense account. The Company had issued individual notices to such shareholders who had not claimed their dividend for the last seven consecutive years along with publication of notice in newspapers on 18th November, 2016 and 12th May, 2017 respectively. The Company has also uploaded full details of such shares due for transfer as well as unclaimed dividends on the website of the Company viz. www.grasim.com. Both the unclaimed dividends and the shares transferred to the IEPF can be claimed by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

Remittance of Dividends through Electronic Mode

SEBI, vide its Circular, dated 21st March, 2013, has advised usage of approved electronic mode, viz., ECS (Electronic Clearing Services), NECS (National Electronic Clearing Services) and other modes of electronic fund transfer for remittance of dividends to the shareholders.

Shareholders, who have not yet opted for remittance of Dividends through electronic mode and wish to avail the same, are requested to provide the following bank details by a letter signed by the sole/first joint holder along with a cancelled copy of your cheque leaf-

- Name of the Bank with its Branch and complete Address;
- Bank Account Number (SB/CC/Current); and
- 9-digit MICR Code (Magnetic Ink Character Recognition) appearing on the MICR cheque issued by your bank to you.
- In case you are holding shares in dematerialised form:
  To your Depository Participant (DP) quoting reference of your DP ID and Client ID
- In case you are holding shares in physical mode, quoting reference of your Ledger Folio No.

  To the RTA at the address mentioned above.

In case you have already registered your bank details and you wish to change the NECS/ECS mandate, then please write to your DP for shares held in demat form or to the Share Department of the Company for shares held in physical form by informing your revised bank details.

Kindly note that there are a number of benefits of payment of dividends vide electronic mode, viz.,

- Prompt credit of dividend amount directly into your bank account as there will be no mailing or handling delays in receiving the physical dividend warrant;
- Avoids loss/misplacement of physical dividend warrant in postal transit;
- It eliminates the need to deposit the physical warrant in the bank; and
- Avoids dividend warrant becoming stale/time barred.

Unclaimed Shares in Physical Form

Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provides the manner of dealing with the shares issued in physical form pursuant to a public issue or any other issue, and which remains unclaimed with the Company. In compliance with the provisions of the said Clause, the Company has sent three reminders under Registered Post to the shareholders, whose share certificates were returned undelivered and are lying unclaimed so far.

In terms of Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has initiated appropriate steps on unclaimed shares by transferring and dematerialising them into one folio in the name of "Grasim Industries Limited Unclaimed Share Suspense Account". In case your shares are lying unclaimed with the Company, you are requested to claim the same. The voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the shares.

Disclosure pursuant to Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- **Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 1st April, 2016:**

  2,962 shareholders holding 3,83,080 equity shares of the Company.

- **Number of shareholders who approached issuer for transfer of shares from suspense account during the year:**

  13 shareholders holding 2,125 equity shares of the Company.

- **Number of shareholders to whom shares were transferred from suspense account during the year:**

  13 shareholders holding 2,125 equity shares of the Company.

- **Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31st March, 2017:**

  2,949 shareholders holding 3,80,955 equity shares of the Company.

The voting rights on the shares in the suspense account as on 31st March, 2017, shall remain frozen till the rightful owners of such shares claim the shares.

Company's Website

You are requested to visit the Company's website www.grasim.com / www.adityabirla.com for:

- information on investor services being offered by the Company;
- downloading of various forms/formats, viz., Nomination Form, ECS Mandate Form, Affidavits, Indemnity Bonds, etc.; and
- registering your E-mail ID with the Company to receive Notices of General Meetings/other Notices, Audited Financial Statements, Annual Reports, etc., henceforth electronically.

Service of Documents in Electronic Form (Green Initiative in Corporate Governance)

In order to conserve paper and environment, the Ministry of Corporate Affairs (MCA), Government of India, has allowed and envisaged the companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Board's Reports, Auditors' Reports, etc., henceforth to their shareholders electronically as a part of its Green Initiative in Corporate Governance.

Keeping in view the aforesaid green initiative of MCA, your Company shall send the Annual Report to its shareholders in electronic form, at the E-mail address provided by them and made available to it by the Depositories. In case of any change in your E-mail address, you are requested to please inform the same to your Depository (in case you hold the shares in dematerialised form) or to the Company (in case you hold the shares in physical form).

Shareholders can avail E-communication facility by registering their E-mail address with the Company by sending the request on E-mail to grasim.secretarial@adityabirla.com or by logging on to the Company's website, www.grasim.com.

Benefits of registering your E-mail address for availing E-communication:

- it will enable you to receive communication promptly;
- it will avoid loss of documents in postal transit; and
- it will help in eliminating wastage of paper, reduce paper consumption and, in turn, save trees.

Your Company will make the said documents available on its websites www.grasim.com / www.adityabirla.com. Please note that physical copies of the above documents shall also be made available for inspection, during office hours, at the Registered Office of the Company at Birlagram, Nagda-456 331 (M.P.).

In case you wish to receive the same in physical form, please write to the Registered Office of the Company or send us an E-mail at grasim.secretarial@adityabirla.com. Upon receipt of a request from you, physical copy shall be provided free of cost.

Link for Green Initiative:

http://www.grasim.com/investors/green_intiative/green_ initiative_corporate_governance.aspx

Feedback:

Members are requested to give us their valuable suggestions for improvement of our investor services to our Corporate Office at Mumbai.

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT, 2017

BUILDING SUSTAINABLE BUSINESSES AT THE ADITYA BIRLA GROUP:

At the Aditya Birla Group, we endeavour to become the leading Indian conglomerate for sustainable business practices across our global operations. We define a "Sustainable Business" as one that can continue to survive and thrive within the growing needs and tightening constraints of a "Sustainable World". We believe that this means that a "Sustainable World" can only contain "Sustainable Businesses".

To achieve our Group vision, we are innovating from the traditional sustainability models to one consistent with our vision to build sustainable businesses capable of operating in the next three decades. It is in our own interests to mitigate our own impact in every way we can as this is a direct assistance to creating a sustainable planet. It also prepares us for further mitigation and the need to adapt to a world that is a further full degree hotter than today.

We began our quest with a question, "If everyone and every business followed the law as written today, is the planet sustainable?" We quickly concluded that around the year 2050, when the Earth's population reaches an estimated 9 billion, climate change, water scarcity, pollution and an overload of waste, if left unchecked, would set the planet on a possibly irreversible unsustainable course. It is, therefore, intuitive that either leaders find ways to transform industries or current laws be tightened over time to reduce the damage, and it is imperative that the Aditya Birla Group remains ahead of the curve.

The first step of our sustainable business programme is aimed at raising the capability of our business management systems. Under this programme called "Responsible Stewardship", we try to move from merely complying with current legal standards to conforming to the international standards set by the global bodies of the International Finance Corporation (IFC), the Organisation for Economic Cooperation and Development (OECD), the International Standards Organisation (ISO), Occupational Health and Safety Advisory Services (OHSAS), the Global Reporting Initiative (GRI), the Forestry Stewardship Council and others. To support our businesses in this endeavour, we have created the Aditya Birla Group's Sustainable Business Framework of Policies, Technical Standards, and Guidance Notes to give our leaders, managers, employees and contract employees the chance to train, learn, understand, and apply improvement techniques to help our businesses reach higher standards of performance. So far, we have had much success with respect to reductions in energy use, water use, and improvements in safety performance. We are working towards achieving the World Business Council for Sustainable Development's Water and Sanitation and Hygiene pledge (WASH) to ensure that we provide safe drinking water, sanitation and hygiene in all our operations. Each of these achievements helps reduce and mitigate our impact on the planet, and are hence imperative to building our platform for the future.

If we are to create sustainable business models and systems for the future then "Responsible Stewardship" by itself today is not enough. We need other components to help us with a greater transformation. We need to understand the global mega-trends and their effect on us geographically, physically, technologically and how the legal system may need to change in order to support a sustainable world. Our performance will need to be improved further to meet these External Factors. By talking to Strategic Stakeholders knowledgeable in these issues, we can scan the horizon to better understand them and their likely risk to our business. With this information we can make sure our business models and strategy are "Future Proofing" and, if not, develop them over time, so that we and the value chains, within which we operate, can continue to operate inside the tightening constraints placed on us by the needs of the sustainable world we hope to help create. We are helping our leaders to understand which external changes might heavily influence our value chains and business models in the future, and what might be expected of our products and brands. For example, the world will need businesses that are able to mitigate and adapt to climate change, with robust and sustainable supply chains that are also impervious to all external forces that will inevitably begin to affect us in the future. To build sustainable businesses will take time, particularly when we consider some of our very complex supply chains, but by pushing to be a leader today, we are giving our businesses the best possible chance of achieving long-term sustainability for ourselves, our value chains and our planet.

At Grasim ("the Company"), we are committed to align the business strategy with the Aditya Birla Group's sustainability vision. We have developed an Environment Management Program with the novel two-pronged approach of Environment Protection and Resource Conservation. Sustainability matrix is developed by Vilayat Unit for CO_2 emission/ton of product (VSF) as per GRI guidelines and uploaded in Enablon Matrix for data compilation, availability, tracking and comparison with other units of Pulp and Fibre business on monthly basis.

SAFETY

Safety is an indelible part of the Company's core values, and is a business imperative. We are maintaining high degree of safety practices through Work Place Safety and Processes Safety, under the guidance and collaborations of world reputed agency, M/s. DuPont. Implementation of Work Place Safety Standards and Process Safety Management Wheel, have yield to continual improvement in safe operations of plant, reduction in accidents and improvement of overall productivity. While we strive hard towards embedding a culture of high safety at our Units, we also have systems and processes in place to enable safer operations. Occupational Health and Safety (OHS) impacts are identified, assessed and addressed through our integrated HSE management system, which conforms to global guidelines, such as the IS/ISO 140001, OHSAS 18001 and SA 8000. We give thrust on In-built engineering controls and monitoring of safety and environmental performance to ensure best-in-class work environment to employees and stakeholders. These practices have yield to Zero occupational disease, zero pollution and satisfaction of nearby community.

RESOURCE MANAGEMENT

The Company is aware of its dual responsibility to the environment and to the nation's progress. The key priorities are energy efficiency, waste heat recovery and generation of renewable energy. Under continual and focused improvement projects, we have achieved reduction in consumption of water, raw materials and other resources, resulting reduction in generation of waste and emissions. We are committed to reduction of waste, conservation of raw materials and perusing zero pollution through ongoing energy conservation initiatives, Focused Improvement projects and technological upgradation.

The Company believes that resource conservation and pollution prevention go hand in hand. In this direction, we have always emphasised on minimising waste generation at source itself. Across its operations, the Company does not import or export waste, which has been deemed hazardous under Basel Convention. Alternative materials like fly ash, Chemical Gypsum and slag, which help in conserving natural raw materials, are used for cement production. Harihar Unit generates Biogas from waste liquor, which is used to replace fossil fuel and down size the carbon footprint of the mill. Karwar Unit of the Company has succeeded in pilot plant trial of utilizing the ETP sludge of Phosphoric acid plant in making fertiliser. Renukoot Unit has commissioned the latest 6th generation Electrolyser for manufacturing of Caustic Soda Lye, resulting in reduction of nearly 100 Units per ton of caustic.

The Company responds to Climate Change Challenge by new product development, increasing absorption by securing availability and overcoming technical constraints; improving energy efficiency; transport and logistics optimisation, waste-to-energy recovery and emissions reduction.

AMBIENT AIR QUALITY

The Company monitors and ensures the emissions and discharge under control through Online Continuous ambient air quality monitoring, emission monitoring and discharge monitoring of SPM, Sox and NOx installed along. Data are linked with DCS system for continuous monitoring and available at control room. Efficient Air Pollution Control Equipment are installed at all emission sources, and the stack and ambient air quality is well within the prescribed limits.

WATER CONSERVATION

The Company's water conservation agenda is spearheaded by a systemic 3R approach: reduce, recycle and reuse. Harvesting rainwater, recharging groundwater, recycling wastewater and reducing freshwater use are standard operating procedures at our manufacturing plants.

The Effluent Treatment facility has been continually upgraded. Continuous Effluent Monitoring System has been adopted for treated effluent for continuous monitoring of pH, Suspended Solids, Biochemical Oxygen Demand and Chemical Oxygen Demand of treated effluent and alert system for any deviation in parameters, and taking preventive action proactively. Treated Effluent is being used for irrigation in field and farmers are being constantly motivated to use the same for improving crop yields.

The Units of the Company maintain greeneries with full of plantations. We do plantation in and around our Units to maintain the greenery.

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN) of the Company**	:	L17124MP1947PLC000410
2.	**Name of the Company**	:	GRASIM INDUSTRIES LIMITED
3.	**Registered Address**	:	BIRLAGRAM, NAGDA - 456331 (M.P.)
4.	**Website**	:	www.grasim.com
5.	**E-mail ID**	:	grasim.brr@adityabirla.com
6.	**Financial Year Reported**	:	1st April 2016 to 31st March 2017

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Sectors	Industrial Activity Code			
	Group	Class	Sub-Class	Description
Fibre	203	2030	20302	Manufacture of synthetic or artificial staple fibre not textured
Pulp	170	1701	17011	Manufacture of rayon grade pulp
Chemicals	201	2011	20116	Manufacture of basic chemical elements
Textiles	131	1311	13113	Preparation and spinning of wool, including other animal hair, and blended wool, including other animal hair

8. List three key products/services that the Company manufactures/provides (as in the Balance Sheet) : i) Viscose Staple Fibre
ii) Rayon Grade Pulp
iii) Caustic Soda and allied Chemicals/ECU (Electro Chemical Unit)

9. Total number of locations where business activity is undertaken by the Company

i. Number of International Locations (Provide details of major 5) : On standalone basis, Grasim does not have any manufacturing Unit outside India

ii. Number of National Locations : 14

10. Markets served by the Company – Local/State/ National/International :

Local	State	National	International
√	√	√	√

Section B: Financial Details of the Company

1.	Paid up Capital (INR)	:	₹ 93.37 Crore
2.	Total Turnover (INR)	:	₹ 11,252.95 Crore
3.	Total Profit After Taxes (INR)	:	₹ 1,560.00 Crore

4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	:	₹ 18.06 Crore (2.29%)
5.	List of activities in which expenditure in 4 above has been incurred:-	:	a. Education b. Healthcare c. Environment and Livelihood d. Rural Development Projects e. Social Empowerment f. Protection of Heritage, Art and Culture

Section C: Other Details

1.	Does the Company have any Subsidiary Company/Companies?	:	Yes, the Company has 5 subsidiaries, 4 Indian and 1 Foreign, and its subsidiary UltraTech Cement Limited also has subsidiaries.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If Yes, then indicate the number of such subsidiary company(s)	:	The Business Responsibility initiatives of the Company applies to its subsidiaries.
3.	Do any other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If Yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]	:	Other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, do not participate in the Business Responsibility initiatives of the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- DIN Number : 02071393
- Name : Mr. Dilip Gaur
- Designation : Managing Director

b) Details of the BR head

S. No.	Particulars	Details	
1.	DIN Number (if applicable)	---	---
2.	Name	Mr. H. K. Agarwal	Mr. E. R. Raj Narayanan
3.	Designation	Chief Operating Officer – Fibre Business	Group Executive President (Chemical Business)
4.	Telephone Number	022 - 67113910	022 - 61109110
5.	E-mail ID	h.k.agarwal@adityabirla.com	raj.narayanan@ adityabirla.com

2 Principle-wise (as per NVGs) BR Policy/Policies

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability. (Business Ethics)

P2 Business should provide goods and services that are safe and contribute to sustainability throughout their life circle. (Product Responsibility)

P3 Business should promote the well-being of all employees. (Wellbeing of Employees)

P4 Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. (Stakeholder Engagement and CSR)

P5 Business should respect and promote human rights. (Human Rights)

P6 Business should respect, protect and make efforts to restore the environment. (Environment)

P7 Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner. (Public Policy)

P8 Business should support inclusive growth and equitable development. (CSR)

P9 Business should engage with and provide value to their customers and consumers in a responsible manner. (Customer Relations)

a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify (50 words)	–								
4.	Has the policy being approved by the Board? If Yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	View restricted to employees								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders. The communication is an on-going process to cover all the internal and external stakeholders.								
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Internal Auditor of the Company from time to time reviews implementation of these Policies.								

b) If answer to the question at serial number 1, against any principle, is 'No', please explain, why? (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within the next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance Related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Management of the Company periodically assesses the BR performance of the Company.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Business Responsibility Report and Social Report on Inclusive Growth and Synergizing Growth with Responsibility (Sustainable Development) are part of the Annual Report. It is published every year. It is also available on the Company's website www.grasim.com.

Section E: Principle-wise Performance

PRINCIPLE 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?**

   The Company's governance structure guides it keeping in mind its core values of Integrity, Commitment, Passion, Seamlessness and Speed. The Corporate Principles and the Code of Conduct cover the Company and all its subsidiaries, and are applicable to all the employees of the Company and its subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   No stakeholder complaints were received during the year on the conduct of business involving ethics, transparency and accountability.

PRINCIPLE 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life circle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:**

   The Company is committed to align its business strategy with the Aditya Birla Group's sustainability vision. For its 3 major products, i.e., Viscose Staple Fibre, Rayon Grade Pulp and Chemicals, the Company has developed an Environment Management Program with the novel two-pronged approach of Environment Protection and Resource Conservation. The Company understands its obligations relating to social and environmental concerns, risks and opportunities. Accordingly, the Company has devised the manufacturing processes of these products and systems, factoring social and environmental concerns.

   The Company responds to Climate Change Challenge by new product development, increasing absorption by securing availability and overcoming technical constraints; improving energy efficiency; transport and logistics optimisation, waste-to-energy recovery and emissions reduction.

   The plants of the Company have various certifications including ISO 14001 EMS, OHSAS-18001 and SA-8000. Products manufactured at the Company's Malanpur plant comply with oeko-tex certificate 100.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**

   a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain**

   The Company has worked towards optimisation of cost, logistics and reduction in input consumption ratio in the processes, and has reduced the consumption of major inputs, including energy, water, etc., by adoption of new techniques and alternate methods.

   b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year**

   The Company has achieved reduction in consumption of water, raw materials and other resources, resulting in reduction in generation of waste and emissions through continual and focused improvement projects. The Company is committed to reduction of waste, conservation of raw materials and pursuing zero pollution through ongoing energy conservation initiatives, focused improvement projects and technological upgradation.

   The Company has diverse consumers base; hence it is not feasible to measure the usage of water, energy by consumers.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   If Yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The processes adopted by the Company in its operations are highly horizontal and vertical integrated. All the major inputs under the Company's control are sourced sustainably. The Company responds to Climate Change Challenge by new product development, increasing absorption by securing availability and overcoming technical constraints; improving energy efficiency; transport

and logistics optimisation, waste-to-energy recovery and emissions reduction.

In the manufacturing of caustic soda, the Company thrives to procure its major ingredient, salt, from mechanised salt washery, as this washed salt reduces sludge generation substantially. The Company has aimed to use 100% mechanised washed salt in coming years and to make the availability of washed salt, the salt manufacturers are encouraged by the Company to install the system to maximise washed salt production.

With respect to wood procurement, which is one of the important inputs for manufacture of pulp, the Company distributed Pulp Wood seedlings to farmers, during the financial year under review, for plantation. The Company has also invested in Joint Ventures abroad so as to ensure sustainable supply of wood pulp, a major raw material. It also procures pulp from certified sources outside India having the Forest Stewardship Council (FSC) Certificate.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**

If Yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company fosters local and small suppliers for procurement of goods and services, including communities in proximity to its plant locations. First preference given to local vendors for input material locally available has also encouraged setting up of many ancillary units around its plants. Training and technical support are being provided to them to improve and build their capability, and to educate and raise their standards.

5. **Does the Company have a mechanism to recycle products and waste? If Yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company believes in 3R Principles (Reduce, Recycle and Reuse). It recycles products and waste in the range of around 10% at its various locations.

Waste Water Recycling is also being done across all its locations. The Company has installed Reverse Osmosis Plants at various units for treating waste water. More than 10% process waste has been reused in yarns.

PRINCIPLE 3 – Businesses should promote the well-being of all employees

1.	Please indicate the total number of employees	:	8669
2.	Please indicate the total number of employees hired on temporary/ contractual/casual basis	:	6673
3.	Please indicate the number of permanent women employees	:	118
4.	Please indicate the number of permanent employees with disabilities	:	32
5.	Do you have an employee association that is recognised by management?	:	Yes
6.	What percentage of your permanent employees is members of this recognised employee association?	:	Almost, all the workers are members of the recognised employee associations (unions)

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

Sr. No.	Category	No. of Complaints Filed during the Financial Year	No. of Complaints Pending as on end of the Financial Year
1.	Child labour/forced labour/ involuntary labour	NIL	NIL
2.	Sexual Harassment	NIL	NIL
3.	Discriminatory Employment	NIL	NIL

8. **What percentage of your under mentioned employees was given safety and skill upgradation training in the last year?**

   (a) Permanent Employees
   (b) Permanent Women Employees
   (c) Casual/Temporary/Contractual Employees
   (d) Employees with Disabilities

Safety is of paramount importance to the Company. All employees of the Company are provided with safety training as part of the induction programme. The safety induction programme is also critical requirement for contract workforce before they are inducted into the system. The Company has a structured safety training agenda on an on-going basis to build a culture of safety across its workforce.

The Company believes in continual learning of its employees and has institutionalized a continual learning model for skill upgradation, especially at the shop-floor level. The learning and development needs of management cadre employees are met through various training delivery machanisms.

PRINCIPLE 4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has mapped its internal as well as external stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders**

   Yes, the Company has identified disadvantaged, vulnerable and marginalized stakeholders through baseline surveys.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

   The Company's endeavours to bring in inclusive growth are channelised through the Aditya Birla Centre for Community Initiatives and Rural Development, of which the Company's Director Mrs. Rajashree Birla is the Chairperson.

   Several initiatives, such as health care, education, infrastructure, watershed management, safe drinking water and sanitation, sustainable livelihood, self-help groups and income generation, etc., are extended to the people living near to the Company's manufacturing units.

   The safety of the workers is of utmost importance and a culture of safety is brought in, not just for the Company's employees but also for the other stakeholders.

PRINCIPLE 5 – Businesses should respect and promote Human Rights

1. **Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?**

   The Company has a Human Rights Policy, which is also applicable to its subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year, and what percent was satisfactorily resolved by the management?**

   No complaints were received in the past financial year.

PRINCIPLE 6 – Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

   The Company's Policy on Safety, Health and Environment also extends to its subsidiaries. The Policy covers the whole Group. Common guidelines/ framework for the Group is being framed by Group Sustainability Cell, incorporating key points from all businesses.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If Yes, please give hyperlink for webpage, etc.**

   Yes, the Company is committed to address issues of global warming and reduction of emissions. The Company has regularly opted for technology upgradation with the latest state-of-the-art generation technology that reduces energy consumption. Hydrogen, being one of the eco products, is used as fuel for drying of liquid products, namely, Caustic Soda Flakes (CSF), Poly Aluminium Chloride (PAC) and

Calcium Chloride. Reduction of water consumption is being achieved through reuse, recycle and installation of Condensate Pollution Unit (CPU). Our Units received the Oeko-Tex Certificate for Eco-labelling of Fibre by M/s. British Textiles Technology Group, England, Frost & Sullivan's Sustainability 4.0 Awards 2016 for excellence in sustainable development for Safety Excellence & Challengers Category, Accreditation from Energy Management System as per EnMS ISO 50001:2011 Standards by TUV Nord, Germany, Manufacturing Today Awards – 2016 under category of "Large - Excellence in Technology" and "Certificate of Recognition" by Regulators & Policymakers Retreat under the category of "Innovation – 2016-2017".

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, the Company regularly assesses the environmental risks emanating from its operations. The Company's plants are ISO 14001 EMS certified. The plants at Nagda and Rehla are also OHSAS-18001 and SA-8000 certified. The Plants at Harihar, Vilayat, Renukoot, Karwar and Ganjam are also OHSAS-18001 certified.

   Environment/Safety Management programmes are initiated for the mitigation of identified environment aspects, as well as safety hazards. Organisation-wide technology standards are developed for assessment of energy, carbon, waste water, air emissions, solid waste disposal and also remediation of contaminated sites.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   The Company has undertaken various projects on Clean Development Mechanism (CDM) at its manufacturing Units. The environmental compliance reports are filed periodical with the respective State Authorities. Vikram Woollens Unit has entered into agreement with Madhya Pradesh Waste Management Project, Indore, for disposing the ETP sludge to them in the normal course of operation.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If Yes, please give hyperlink for web page, etc.**

   Yes, the Company has taken several initiatives on clean technology, energy efficiency, renewable energy, etc.

   Energy Efficiency: This is a continuous exercise. Adoption of energy efficient equipment for new projects are installed, better utilisation of waste heat from main plant as well as ancillary units is undertaken.

   Renewable Energy: Currently, feasibility studies are being done to understand the viability of solar energy and use of alternate fuel, such as petcoke in place of fossil fuel.

Please refer **Annexure 'F'** of the Board's Report of the Annual Report for energy conservation initiatives. The same is also available on Company's website www.grasim.com.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB, and are reported on periodic basis.

7. **Number of show-cause/legal notices received from CPCB/SPCB, which are pending (i.e., not resolved to satisfaction) as on the end of the Financial Year**

   No such cases are pending.

PRINCIPLE 7 – Businesses, when engaged in influencing Public and Regulatory Policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company is a Member of

   a. Federation of Indian Chambers of Commerce and Industry.
   b. Associated Chambers of Commerce and Industry of India.
   c. Confederation of Indian Industry, Mumbai
   d. Association of Man-Made Fibre Industry of India.
   e. National Safety Council.
   f. The Synthetics Rayon & Textile Export Promotion Council.
   g. Federation of Indian Export Organisation.
   h. Indian Merchant Chamber.
   i. Alkali Manufacturing Association of India.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if Yes, specify the broad areas (Drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).**

   Yes, the broad areas are Economic Reforms, Environment and Energy issues, and Water and Sustainable Business Principles.

PRINCIPLE 8 - Businesses should support Inclusive Growth and Equitable Development

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If Yes, details thereof.**

   Yes, the Company has formulated a well-defined CSR policy, which focuses on the following major areas:

   1. Education
   2. Health Care
   3. Environment and Livelihood
   4. Rural Development
   5. Social Empowerment
   6. Protection of Heritage, Art and Culture

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

   The programmes/projects are undertaken through in-house teams/our foundation as well as in partnership with non-governmental organisations (NGOs) and governmental institutions to serve areas of community growth and sustainable development.

3. **Have you done any impact assessment of your initiative?**

   Yes, the Company has conducted impact assessment of its CSR initiatives, and has seen positive outcomes and benefits for the people in and around the Company's plants.

4. **What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.**

   During the year under review, the Company has spent an amount ₹ 18.06 Crore on CSR activities mainly on education, health care, environment and livelihood, rural development projects, women empowerment, etc., and to bring about social change by advocating and supporting various social campaigns and programmes.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes, the Company has taken steps to ensure that the community initiatives benefit the community. Projects evolve out of the felt needs of the communities, and they are engaged in the implementation of the welfare driven initiatives, as well. The Communities actively partner with the Company and take ownership of the projects, eventually as its positive outcome benefits them hugely.

PRINCIPLE 9 – Businesses should engage with and provide Value to their Customers and Consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases is pending as on the end of the financial year?**

   The Company has a well-defined system of addressing customer complaints. All complaints are appropriately addressed and resolved.

2. **Does the Company display product information on the product label, over and above, what is mandated as per local laws? Yes/No/N.A./No. Remarks (additional information).**

   The Company displays product information on the products' label. The Company has also a website which provides information about its products and their usage.

3. **Is there any case filed by any stakeholder against the Company, regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years, and pending as on the end of the financial year? If so, provide details thereof, in about 50 words or so.**

   An enquiry is being conducted by the Competition Commission of India (CCI) against the Man-made Fibre Industries for alleged abuse of dominance. The Company believes that it has not indulged in any such activity, and is defending its case.

   An investigation is being conducted by the Director General (DG) of the Competition Commission of India (CCI) against a few Chlor-Alkali companies, including the Company, for alleged contravention of the provisions of Section 3(3)(d) of the Competition Act, 2002, in respect of sales of few chemical products. The investigation is being conducted pursuant to a complaint filed by Delhi Jal Board with the CCI. The DG has submitted the report of its investigation to CCI, and the Company has also submitted its response to CCI. The Company believes that it has not indulged in any such activity, and is responding to the queries raised by the DG in the course of the investigation.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, Consumer Satisfaction Surveys are being conducted periodically to assess the consumer satisfaction levels.

   Our VSF business recently conducted Consumer Satisfaction Survey for our newly launched brand 'LIVA', and the feedback has been very positive.

SOCIAL REPORT

Towards Inclusive Growth

"All of our projects are based on the needs of the communities that live close to our plants. Our projects are very inclusive. We treat our social projects, just as our business projects. We have a vision, which in a nutshell epitomises, inclusive growth, and dignifying the lives, of the underprivileged. Our work rests on four pillars.

Firstly, embedding our social vision in the business vision.

Secondly, having a razor-sharp strategy, for execution, factoring milestones, targets, performance management, and accountability.

Thirdly, getting our work audited by reputed agencies in the CSR domain, to ascertain the reports of the field workers.

And, fourthly, working in tandem with Government agencies, and recoursing to their various development schemes, which foster inclusive growth. This helps us extend our reach.

Above all, the invaluable contribution of our 250 strong committed CSR colleagues and the leadership team gives us the edge. Their energy, their passion and their commitment, to make a difference to the underprivileged, make our work count."

Mrs. Rajashree Birla

Chairperson

Aditya Birla Centre for Community Initiatives and Rural Development

At the Aditya Birla Group level, through our outreach programmes, we pan out to 7.5 million people across 5,000 villages. Of this, Grasim's community engagement reaches out to a rural population of more than spread over 205 villages and 36 urban slums.

Our focus is on health care, education, sustainable livelihood, infrastructure and social reform.

HEALTH CARE

At your Company-managed hospital – Indubhai Parekh Memorial Hospital in Nagda, we treated more than 1,37,904 patients. Furthermore, we reached out to 50,770 villagers in the hinterland through our rural mobile medical van services.

At Harihar, Rehla and Vilayat, we organised eye camps, in which 909 patients were operated for cataract.

At the medical camps conducted for the physically challenged in Harihar, 201 patients were provided with artificial limbs, which enabled them get back on their feet. Over two decades ago, we began this initiative. Up until now, our work has enabled 3,159 persons become self-reliant, and they have integrated into the mainstream of society.

At blood donation camps in Kharach (Gujarat), we collected 76 units, which were donated to the blood bank.

At several medical camps organised for ailments, such as diabetics, Bone and Mass Density, dental problems, 1187 villagers were examined and treated at Kharach and Harihar. Patients, whose ailments needed greater attention, were referred to our hospitals. Given the growing interest in alternative treatments, we have linked up with the Government on Ayurvedic and Homeopathy as alternative therapies.

To generate awareness on Sexually Transmitted Diseases (STD), Reproductive Tract Infections (RTI) and AIDS among the rural and urban communities, camps for adolescent youth and sex workers were held with on-the-spot testing facilities. These camps were at Nagda, Rehla, Vilayat and Bhiwani, where 8,111 people availed of the services.

MOTHER AND CHILD HEALTH CARE

In collaboration with the District Health Department, 72,772 children were immunized against polio and 9,432 children for diphtheria, typhoid, measles and rubella at Harihar, Nagda, Kharach, Rehla, Vilayat and Bhiwani.

School health check-up camps were regularly planned in the village schools at Harihar and Kharach, checking the wellness of 2,066 students.

At Vilayat, our project initiated on eradicating malnutrition, among children from 1-5 years, has started showing results. Till date, 251 malnourished children have been identified and adopted with focused intervention to improve their health. Of these, 166 children have transited from the red zone to the green zone and 85 children from the red zone to the yellow zone.

As part of our Reproductive and Child Health Care programmes, 9,578 women availed of the ante-natal, post-natal, mass immunization, nutrition and escort services for institutional delivery.

EDUCATION

We enlisted 1,879 children – most of whom are first generation learners – in schools at Kharach and Nagda. Scholarships were awarded to 256 students at Harihar and Vilayat.

The girl child is on our radar always. Given our linkages with the Kasturba Gandhi Balika Vidyalayas (KGBV), residential schools for girls, we enrolled 1,042 girls in the KGBVs and other Government schools, around our manufacturing units. Focusing on the girl child, we offered a bouquet of interesting incentives, such as computer education, education material support, career counselling, special day celebration, cultural programmes, fees, cycles and comprehensive health check-ups. We covered 9,270 children at Nagda, Harihar, Kharach, Rehla and Vilayat.

"Pratibha Karanji", our talent hunt programme attracted 1,260 children from different schools in Harihar.

At Vilayat, we took 405 students from five rural schools (Grade VI to VIII) to Ahmadabad, where they visited the Gandhi Ashram, Science City and Kankaria Zoo. Our objective is to expose students to new scientific developments.

At Nagda, we provided 150 sets of tables and chairs, in six rural middle schools. Now 450 students find the classrooms much more conducive to learning.

SAFE DRINKING WATER AND SANITATION

Over 4,572 villagers have access to safe drinking water around the operational area in Gujarat, largely due to installation of 3 Reverse Osmosis plants. Up until now, we have supported 26 Reverse Osmosis plants along with water tanks over the years.

In our endeavour towards open defecation-free villages, we have facilitated the construction of 2,051 individual toilets around Nagda, Vilayat, Rehla, Renukoot, Kharach and Harihar. We leveraged the Nirmal Gram Yozna scheme. Alongside, we organised awareness camps in these 24 villages to sensitise the villagers and school children on the use of sanitation facilities.

SUSTAINABLE LIVELIHOOD

AGRICULTURE

At Nagda, Rehla and Vilayat, we familiarised 2,267 farmers with innovative cropping techniques, which was a fine learning experience. These projects were designed to promote sustainable agriculture given higher returns through better yield. We mobilised crop loans of ₹ 189.32 Lakh from Government schemes, benefitting 993 farmers in Harihar. At Rehla, the model farmer project has benefitted 25 farmers. We have also installed 6 solar water pumps at the farmers' fields.

Over 50,000 saplings of fruit-bearing trees and forest species were planted during the year at Nagda, Vilayat, Rehla and Bhiwani.

ANIMAL HUSBANDRY

The immunization of 27,869 cattle at Harihar, Rehla, Vilayat and Nagda, through animal husbandry and veterinary camps, went a long way in stoking farmer prosperity.

At Nagda, Vilayat and Bhiwani, our cattle breed improvement project is being implemented in collaboration with NGOs. Under the project, "Integrated Livestock Development Centres (ILDC)" have been established in the villages. The centre provides services to the surrounding 81 villages.

Their main activities comprise of green fodder demonstration, vaccination, dry fodder enrichment,

extension programmes and artificial insemination services at the door-steps of the farmers. From the start of the project, 8,375 artificial inseminations have been completed, and 1,042 calves of a higher breed were spawned till date. Furthermore, over 1023 farmers were covered in capacity building activities, which have led to reaping an enhanced output.

Organic farming and Vermi-composting have been encouraged with 77 Units participating at Nagda and Rehla.

SELF HELP GROUPS AND INCOME GENERATION

Across Grasim, 701 Self Help Groups (SHGs) empower 8,185 households financially and socially. Most of the SHGs have been linked with the economic schemes of banks and the District Industries Centre. The women SHG members were trained in goatry, dairy, loom weaving, sutli weaving, tailoring, blanket weaving, etc. They have mobilised loans of ₹ 234.98 lakh from Banks to start income-generating activities, and become self reliant.

VOCATIONAL TRAINING

The Ansuya Kendra at Birla Cellulosic, Kharach, and Training centres at Nagda, Rehla, Bhiwani and Vilayat were started with the objective of training rural women, particularly, from low-income families to be self-reliant. At the various centres, 1,218 women were trained in different skills. These comprise of tailoring, crafting, handbags, purses, animal rearing, vegetable farming as well as shop keeping. So far, they have enabled more than 3,300 women to stand on their feet, supplement the household income and in some instances, run their family.

At Nagda and Vilayat, these centres were linked with USHA International to provide accreditation for the three-month and six-month courses. Furthermore, 116 sewing machines were distributed to the beneficiaries, to help them start their business.

A new project 'Kaushalaya' has been underway at Bhiwani in collaboration with Confederation of Indian Industry (CII), under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY). This is a three-year project, where 300 youths will be trained each year in the trades like electrician, sales and marketing, textiles and apparel, fitter, automobile maintenance and beautician. This year 160 youth have been trained.

INFRASTRUCTURE DEVELOPMENT

The 4 dams constructed at Nagda on the River Chambal continue to benefit nearly 200,000 people. Your Company has constructed/renovated Community Halls, School Buildings, Boundary Walls, Aganwadi Centres, Panchayat Office, Primary Health Centres around Harihar, Nagda, Kharach and Vilayat plants.

At Rehla, 17 new hand pumps have been installed for drinking water in villages. At Harihar and Bhiwani, 987 street light sets illuminate the roads.

SOCIAL WELFARE

Under the mass marriage programme this year, 334 couples in Harihar, Nagda and Rehla were united in wedlock. We also aided 176 persons in accessing Government Pension Funds.

ACCOLADE

1. CII ITC Sustainability Award 2016 (GBTL, Bhiwani)
2. ABP News Awards for CSR 2016 (GBTL Bhiwani)

Our Partners/Collaborators include

- District Rural Development Authorities at various locations
- Local Hospital and District Health Departments
- District Panchayatiraj Institutions
- District Animal Husbandry Department
- District Agriculture Department
- District Horticulture Department
- BAIF Development Foundation
- The Khadi and Village Industries (KVIC)
- Sarva Shiksha Abhiyan
- Rotary International
- Sathi, Ujjain
- CARD, Bhopal

OUR INVESTMENTS

For the year 2016-17, Grasim's CSR spend was ₹ 18.04 Crore. In addition, we mobilised ₹ 18.90 Crore through various schemes of the Government, acting as catalysts for the community.

IN SUM

Our CSR work is aimed at lifting the burden of poverty. To an extent, we have helped lower the level of poverty in villages and urban slums near our plants. We attained this by reaching out to 3,54,024 people through health care interventions; 65,944 through education; 58,154 through sustainable livelihood; 42,383 through rural infrastructure and 40,808 people through social causes. Given the magnitude of the issue, much more needs to be done, avers Mrs. Rajashree Birla.

OUR CSR ACTIVITIES











INDEPENDENT AUDITOR'S REPORT

To the Members of Grasim Industries Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **GRASIM INDUSTRIES LIMITED** ("the Company"), which comprise the Balance sheet as at 31 March 2017, and the Statement of profit and loss (including Other Comprehensive Income), the Statement of Cash flows and the Statement of changes in equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, 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) prescribed under Section 133 of the Act read with the rules issued thereunder.

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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31 March 2017 and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

OTHER MATTERS

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report for the year ended 31 March 2016 and 31 March 2015 dated 7 May 2016 and 2 May 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by B S R & Co. LLP, Chartered Accountants, one of the joint auditors of the Company.

Our opinion is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("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 A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance sheet, the Statement of profit and loss, the Statement of Cash flows and the Statement of changes in equity dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 4.1 to the standalone Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. the Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 4.7.8 to the standalone Ind AS financial statements.

For G. P. Kapadia & Co.
Chartered Accountants
Firm's Registration No: 104768W

Atul B. Desai
Partner
Membership No: 30850

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Place: Mumbai
19th May 2017

ANNEXURE – A

to the Independent Auditor's Report

With reference to the Annexure referred to in the Independent Auditor's Report to the Members of Grasim Industries Limited ('the Company') on the standalone Ind AS financial statements for the year ended 31 March 2017, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of the fixed assets (property plant and equipment).

(b) The Company has a regular programme of physical verification of its fixed assets (property plant and equipment) by which all fixed assets (property plant and equipment) are verified in a phased manner over a period of two to three years. In accordance with this programme, a portion of the fixed assets (property plant and equipment) has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 2.1.1 to the standalone Ind AS financial statements, are held in the name of the Company, except for the following:

Particulars	Leasehold land	Freehold land
Gross Block as at 31 March 2017	74.12	75.05
Net Block as at 31 March, 2017	64.17	75.05
Number of Cases	104	37

(ii) Inventory, except good-in-transit, has been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. Discrepancies noticed on such verification between physical stocks and the book records were not material and these have been properly dealt with in the books of account.

(iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act with respect to loans and investments. The Company has not provided any guarantee or security to the parties covered under Section 186 of the Act.

(v) The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, duty of Customs, duty of Excise or Value added tax, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Appendix I to this report.

Name of the Statute	Nature of the Dues	Amount (₹ Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	144.57	2005-2014	Appellate Authority
		0.48	2007-2016	Assessing Authority
Sales Tax / Value Added Tax Act	Sales Tax, VAT, Interest and Penalty	0.01	2008-2009	High Court
		5.21	2006-2017	Appellate Authority
Entry Tax Act	Entry Tax and Interest	5.61	2006-2017	Supreme Court
		13.46	2004-2017	High Court
		1.35	2007-2013	Appellate Authority
Service Tax under Finance Act, 1994	Service Tax, Interest and Penalty	0.01	2009-2010	High Court
		9.19	2004-2017	Appellate Authority
		1.57	1997-2016	Assessing Authority
Customs Act, 1962	Customs Duty, Interest and Penalty	10.87	2004-2017	Appellate Authority
		0.63	2005-2008	Assessing Authority
Central Excise Act, 1944	Excise duty, Interest and Penalty	2.27	1999-2017	High Court
		43.89	1999-2017	Appellate Authority
		7.22	1995-2017	Assessing Authority

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and government. The Company did not have any outstanding dues to financial institution and debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures notified under the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

(xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

For G. P. Kapadia & Co.
Chartered Accountants
Firm's Registration No: 104768W

Atul B. Desai
Partner
Membership No: 30850

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Place: Mumbai
19th May 2017

ANNEXURE – B

to the Independent Auditor's Report

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 over financial reporting of Grasim Industries Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. P. Kapadia & Co.
Chartered Accountants
Firm's Registration No: 104768W

Atul B. Desai
Partner
Membership No: 30850

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Place: Mumbai
19th May 2017

BALANCE SHEET

AS AT 31ST MARCH, 2017

₹ in Crore

	Note No.		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	2.1	6,857.98		6,944.88	5,184.50
Capital Work-in-Progress	2.1	375.48		317.65	450.36
Other Intangible Assets	2.1	28.83		18.17	5.64
Financial Assets					
Investments	2.2	7,424.09		5,886.91	5,636.16
Loans	2.3	141.80		126.94	112.24
Other Financial Assets	2.4	1.36		1.09	-
Non-Current Tax Assets (Net)		31.69		94.39	-
Other Non-Current Assets	2.5	57.64		60.56	74.03
			14,918.87	13,450.59	11,462.93
Current Assets					
Inventories	2.6	1,732.74		1,605.37	1,430.20
Financial Assets					
Investments	2.7	1,572.33		1,212.71	952.58
Trade Receivables	2.8	1,189.55		992.37	687.49
Cash and Cash Equivalents	2.9	34.59		23.06	42.55
Bank Balances other than Cash and Cash Equivalents	2.10	18.15		11.95	10.64
Loans	2.11	50.55		65.37	90.38
Other Financial Assets	2.12	41.65		20.71	10.58
Current Tax Assets (Net)		-		83.66	81.02
Other Current Assets	2.13	291.39		326.86	471.76
Assets Held for Disposal		1.28		3.72	5.29
			4,932.23	4,345.78	3,782.49
TOTAL			19,851.10	17,796.37	15,245.42
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	2.14	93.37		93.36	91.87
Other Equity	2.15	16,137.61		13,778.49	12,430.19
			16,230.98	13,871.85	12,522.06
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
Borrowings	2.16	383.68		633.33	856.54
Other Financial Liabilities	2.17	2.70		1.94	1.15
			386.38	635.27	857.69
Provisions	2.18		77.51	72.28	49.57
Deferred Tax Liabilities (Net)	2.19		662.98	494.11	342.63
Other Non-Current Liabilities	2.20		29.49	21.45	19.83
Current Liabilities					
Financial Liabilities					
Borrowings	2.21	60.81		981.85	74.20
Trade Payables-Total Outstanding Dues of	2.22				
- Micro and Small Enterprises		2.05		4.59	0.91
- Creditors other than Micro and Small Enterprises		1,123.88		588.63	483.49
Other Financial Liabilities	2.23	364.18		335.66	327.68
			1,550.92	1,910.73	886.28
Other Current Liabilities	2.24		586.00	440.10	300.27
Provisions	2.25		85.06	97.96	10.62
Current Tax Liabilities (Net)			241.78	252.62	256.47
TOTAL EQUITY AND LIABILITIES			19,851.10	17,796.37	15,245.42
Significant Accounting Policies	1				

The accompanying Notes are an integral part of the Financial Statements

In terms of our report on even date attached

For GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Akeel Master
Partner
Membership No.: 46768

For G. P. KAPADIA & CO.
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Atul B. Desai
Partner
Membership No.: 30850

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Managing Director
DIN-02071393

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN-00060017

Hutokshi Wadia
Company Secretary

B. V. Bhargava
Independent Director
DIN-00001823

M. L. Apte
Independent Director
DIN-00003656

Mumbai
Dated: 19th May, 2017

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Crore

	Note		Year Ended 31st March 2017 (Current Year)	Year Ended 31st March 2016 (Previous Year)
INCOME				
Revenue from Operations	3.1 & 3.2		**11,252.95**	9,778.40
Other Income	3.3		**473.93**	358.45
Total Income (I)			**11,726.88**	10,136.85
EXPENSES				
Cost of Materials Consumed	3.4	**4,680.27**		4,389.67
Purchases of Stock-in-Trade	3.5	**59.68**		40.58
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.6	**95.47**		(6.84)
Employee Benefits Expenses	3.7	**678.00**		617.34
Finance Costs	3.8	**57.62**		147.40
Depreciation and Amortisation Expenses	2.1	**446.14**		444.89
Power and Fuel		**1,490.26**		1,403.75
Freight and Handling Expenses		**180.32**		159.13
Excise Duty		**907.30**		809.16
Other Expenses	3.9	**1,006.88**		887.76
			9,601.94	8,892.84
Less: Captive Consumption [Net of Excise Duty in Previous Year ₹ 0.01 Crore]	2.2.4		-	14.83
Total Expenses (II)			**9,601.94**	8,878.01
Profit Before Exceptional Item and Tax	3.10		**2,124.94**	1,258.84
Exceptional Item			-	(29.19)
Profit Before Tax			**2,124.94**	1,229.65
Tax Expense				
Current Tax		**528.69**		222.09
Deferred Tax	3.11	**36.25**		36.92
Total Tax Expense			**564.94**	259.01
Profit For The Year (III)			**1,560.00**	970.64
OTHER COMPREHENSIVE INCOME				
A (i) Items that will not be reclassified to profit or loss		**1,027.01**		102.13
(ii) Income Tax relating to items that will not be reclassified to profit or loss		**(20.58)**		(11.32)
B (i) Items that will be reclassified to profit or loss		**6.63**		1.31
(ii) Income Tax relating to items that will be reclassified to profit or loss	3.14	**(1.53)**		(0.30)
Other Comprehensive Income For The Year (IV)			**1,011.53**	91.82
Total Comprehensive Income For The Year (III + IV)			**2,571.53**	1,062.46
Earnings Per Equity Share (Face Value ₹ 2 each)	1			
Basic (₹)			**33.42**	20.80
Diluted (₹)			**33.38**	20.78
Significant Accounting Policies				
The accompanying Notes are an integral part of the Financial Statements				

In terms of our report on even date attached

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Independent Director
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M. L. Apte
Independent Director
DIN-00003656

Mumbai
Dated: 19th May, 2017

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Crore

		Current Year		Previous Year
A.	**Cash Flow from Operating Activities**			
	a. Profit Before Tax	**2,124.94**		1,229.65
	Adjustments for:			
	Depreciation and Amortisation	**446.14**		444.89
	Finance Costs	**57.62**		147.40
	Interest Income	**(116.72)**		(54.37)
	Dividend Income	**(201.80)**		(178.99)
	Exchange Loss on Capital Reduction in a Joint Venture (Note 2.2.6)	**13.52**		-
	Loss Allowance (Net)	**5.79**		2.84
	Impairment in value of Non-Current Investments (Note 2.2.4)	**-**		29.19
	Employee Stock Option Expenses (Note 3.7)	**5.33**		5.62
	Loss on Sale of Property, Plant and Equipment (Net)	**1.87**		3.26
	Provision for Asset Transfer Cost of erstwhile Aditya Birla Chemicals (India) Ltd. (Note 2.25.1)	**-**		83.95
	Unrealised Gain on Investments measured at Fair Value through Profit and Loss (Net)	**(116.75)**		(74.20)
	Profit on Sale of Investments (Net)	**(21.57)**		(26.70)
	Profit on Sale of Consumer Products Division (Net) {Slump Sale}	**-**		(7.72)
	b. Operating profit Before Working Capital Changes	**2,198.37**		1,604.82
	Adjustments for :			
	Trade Receivables	**(202.31)**		(178.79)
	Financial and Other Assets	**11.69**		185.16
	Inventories	**(127.37)**		(16.01)
	Trade Payables and Other Liabilities	**598.18**		66.69
	c. Cash Generated from Operations	**2,478.56**		1,661.87
	Direct Taxes Paid (Net of Refund)	**(221.02)**		(321.18)
	Net Cash from Operating Activities		**2,257.54**	1,340.69
B.	**Cash Flow from Investing Activities**			
	Purchase of Property, Plant and Equipment {Note (iii) below}	**(432.46)**		(645.04)
	Proceeds from Disposal of Property, Plant and Equipment	**10.77**		4.55
	Asset Transfer Cost on Amalgamation of erstwhile Aditya Birla Chemicals (India) Ltd.	**(9.61)**		-
	Investment in Joint Ventures and Associates	**(0.53)**		(3.94)
	Proceeds from Capital Reduction in a Joint Venture (Note 2.2.6)	**42.68**		-
	Proceeds from Sale of Non-current Equity Investments	**-**		11.56
	Proceeds from sale of Consumer Products Division (Net) {Slump Sale}	**-**		9.53
	Purchase of Mutual Fund Units and Bonds (Non- Current)	**(456.65)**		(291.50)
	Sale of Mutual Fund Units and Bonds (Non- Current)	**-**		8.66
	Purchase of Mutual Fund Units, Bonds and Certificate of Deposits (Current) {Net}	**(310.73)**		(60.31)
	Loans and Advances to Subsidiaries, Joint Ventures and Associates (Net)	**(0.43)**		6.95

₹ in Crore

		Current Year		Previous Year
	Inter-Corporate Deposits	-		30.00
	(Investment)/Redemption in Bank Deposits (having original maturity more than 3 months) and Earmarked Balances with Banks	(6.47)		(2.40)
	Interest Received	119.37		51.80
	Dividend Received	201.80		178.99
	Net Cash Used in Investing Activities		(842.26)	(701.15)
C.	**Cash Flow from Financing Activities**			
	Proceeds from Issue of Share Capital under ESOS	2.64		5.25
	Proceeds from Non-Current Borrowings	12.20		-
	Repayments of Non-Current Borrowings	(223.35)		(975.46)
	Proceeds/(Repayment) of Current Borrowings (Net)	(921.04)		648.00
	Interest Paid (Net of Interest Subsidy)	(59.68)		(157.68)
	Dividend Paid	(203.73)		(177.42)
	Corporate Dividend Tax Paid	(10.79)		(5.75)
	Net Cash Used in Financing Activities		(1,403.75)	(663.06)
D.	**Net Increase/(Decrease) in Cash and Cash Equivalents**		11.53	(23.52)
	Cash and Cash Equivalents at the Beginning of the Year (Note 2.9)		23.06	42.55
	Cash and Cash Equivalents Received on Amalgamation/Acquisition (Note 4.15)		-	4.03
	Cash and Cash Equivalents at the End of the Year (Note 2.9)		34.59	23.06

Notes :

(i) Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

(ii) The Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited (ABCIL) with the Company implemented w.e.f. the appointed date of 1st April, 2015 did not involve any cash outlflow as the Company issued equity shares of the Company to the Shareholders of erstwhile ABCIL in terms of the Scheme.

(iii) Purchase of Property, Plant and Equipment includes movements of Capital Work-in-Progress (including Capital Advances) and Capital Expenditure Creditors during the year.

In terms of our report on even date attached

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M. L. Apte
Independent Director
DIN-00003656

Mumbai
Dated: 19th May, 2017

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2017

A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2017

(₹ in Crore)

Balance as at 1st April, 2016	Changes in Equity Share Capital during the year (Note 2.14.3)	Balance as at 31st March 2017
93.36	0.01	93.37

For the year ended 31st March, 2016

(₹ in Crore)

Balance as at 1st April, 2015	Changes in Equity Share Capital during the year (Note 2.14.3)	Balance as at 31st March 2016
91.87	1.49	93.36

B. OTHER EQUITY

(₹ in Crore)

	Reserves and Surplus				Other Comprehensive Income (OCI)			Employee Share Options Outstanding #	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Debt Instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	Hedging Reserve		
As at 31st March 2017									
Opening Balance as at 1st April, 2016	44.99	9,889.08	38.93	2,604.32	3.39	1,180.14	-	17.64	13,778.49
Profit for the Year	-	-	-	1,560.00	-	-	-	-	1,560.00
Other Comprehensive Income of the Year	-	-	-	(8.61)	5.10	1,015.04			1,011.53
Transfer from Retained Earnings to General Reserve	-	500.00	-	(500.00)	-	-	-	-	-
Dividend (including Corporate Dividend Tax) pertaining to FY 2015-16	-	-	-	(220.84)	-	-	-	-	(220.84)
Equity Shares cancelled from Share Suspense	-	-	0.01	-	-	-	-	-	0.01
Employee Stock Options Exercised	5.27	-	-	-	-	-	-	(2.65)	2.62
Employee Stock Options Granted	-	-	-	-	-	-	-	5.80	5.80
Closing Balance as at 31st March, 2017	50.26	10,389.08	38.94	3,434.87	8.49	2,195.18	-	20.79	16,137.61

(₹ in Crore)

	Reserves and Surplus				Other Comprehensive Income (OCI)			Employee Share Options Outstanding #	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Debt Instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	Hedging Reserve		
As at 31st March 2016									
Opening Balance as at 1st April, 2015	37.98	9,345.81	-	1,938.58	2.38	1,091.85	(0.01)	13.60	12,430.19
Transferred from ABCIL pursuant to Scheme of Amalgamation (Note 4.15)	0.02	43.27	17.00	362.33	-	-	-	-	422.62
Capital Reserve on Amalgamation (Note 4.15)	-	-	21.93	-	-	-	-	-	21.93
Profit for the Year	-	-	-	970.64	-	-	-	-	970.64
Other Comprehensive Income for the Year	-	-	-	@2.52	1.01	88.29	-	-	91.82
Transfer from Retained Earnings to General Reserve	-	500.00	-	(500.00)	-	-	-	-	-
Exchange Loss recognised in the Statement of Profit and Loss	-	-	-	-	-	-	0.01	-	0.01
Dividend (including Corporate Dividend Tax) pertaining to FY 2014-15	-	-	-	(168.73)	-	-	-	-	(168.73)
Employee Stock Options Exercised	6.99	-	-	-	-	-	-	(1.72)	5.27
Employee Stock Options Granted	-	-	-	-	-	-	-	5.76	5.76
Loss on Sale of Non-current Investment transfer to Retained Earnings from " Equity Instrument through OCI"	-	-	-	(1.02)	-	-	-	-	(1.02)
Closing Balance as at 31st March, 2016	44.99	9,889.08	38.93	2,604.32	3.39	1,180.14	-	17.64	13,778.49

@ Represents remeasurement of Defined Benefit Plan.
# Net of Deferred Employees' Compensation Expenses ₹ 3.58 Crore (Previous Year ₹ 7.54 Crore, 1st April 2015 ₹ 9.77 Crore).

The accompanying Notes are an integral part of the Financial Statements

In terms of our report on even date attached

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Chartered Accountants
Firm Registration No.: 101248W/W-100022

Akeel Master
Partner
Membership No.: 46768

For G. P. KAPADIA & CO.
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Atul B. Desai
Partner
Membership No.: 30850

Mumbai
Dated: 19th May, 2017

For GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Dilip Gaur
Managing Director
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Company Secretary

B. V. Bhargava
Independent Director
DIN-00001823

M. L. Apte
Independent Director
DIN-00003656

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

GENERAL INFORMATION

Grasim Industries Limited ("the Company") is a limited company incorporated and domiciled in India. The address of its registered office and principal place of business are disclosed in the introduction to the annual report.

The Company is engaged primarily in three businesses, Viscose Staple Fibre (VSF), Chlor-Alkali Chemicals and in Cement, through its subsidiary UltraTech Cement Limited. It also produces Rayon Grade Pulp and allied Chemicals which are used in the manufacture of VSF. The manufacturing plants of the Company, its Subsidiaries and Joint Ventures are located in India, Canada, Sweden, China, Middle East, Sri Lanka and Bangladesh. The Company is a public limited company and its shares are listed on the Bombay Stock Exchange (BSE), India, and the National Stock Exchange (NSE), India, and the Company's Global Depository Receipts are listed on the Luxembourg Stock Exchange.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance:

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These are Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. The Company has availed first time adoption exemption as per Ind AS 101(Refer Note 4.11 for details).

Upto the year ended 31st March, 2016, the Company prepared its financial statements in accordance with previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In these financial statements for the year ended 31st March, 2017, the financial statements for previous year ended 31st March, 2016 and Balance Sheet as at 1st April, 2015, have been prepared and presented as per Ind AS for like- to- like comparison.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 19th May, 2017.

1.2 Basis of Preparation:

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities which have been measured at fair value:

- Derivative Financial Instruments (covered under para 1.16)
- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments (covered under para 1.17 and para 1.18)
- Assets held for sale - measured at the lower of its carrying amount and fair value less cost to sell; and
- Employee's Defined Benefit Plan as per actuarial valuation

1.3 Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

1.4 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.5 Property, Plant and Equipment (PPE):

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

1.6 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

1.7 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis, except for Viscose Staple Fibre Division (excluding Power Plants), Nagda, and Corporate Finance Division, Mumbai for which it is provided on written down value method, over the useful lives as prescribed in Schedule II of the Companies Act, 2013 or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has used the following useful lives of the property, plant and equipment to provide depreciation.

A. Major assets class where useful life considered as provided in Schedule II:

S. No.	Nature of Assets	Estimated Useful Life of the Assets
1	Plant and Machinery - Continuous Process Plant	25 years
2	Plant and Machinery - Non – Continuous Process Plant	15 years
3	Reactors	20 years
4	Vessel/Storage Tanks	20 years
5	Factory Buildings	30 years
6	Building (other than Factory Buildings)	30 years
7	Electric Installations	10 years
8	Computer and other Hardwares	3 years

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

S. No.	Nature of Assets	Estimated Useful Life of the Assets
9	General Laboratory Equipment	10 years
10	Railway Sidings	15 years
11	- Carpeted Roads - Reinforced Cement Concrete (RCC)	10 years
	- Carpeted Roads - other than RCC	5 years
	- Non Carpeted Roads	3 years

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those class of assets. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset.

Also, useful life of the part of PPE, which is significant to total cost of PPE, has been separately assessed and depreciation has been provided accordingly.

B. Assets where useful life differs from Schedule II:

S. No.	Nature of Assets	Estimated Useful Life of the Assets
1	Motor Cars/Two Wheelers	4-5 years
2	Electronic Office Equipment	4 years
3	Furniture, Fixtures and Electrical Fittings	7 years
4	Motor Buses, Tractor, Trollies	5 years
5	Power Plant	25 years
6	Servers and Networks	3 years
7	Spares in the nature of PPE	10 years
8	Assets individually costing less than or equal to ₹10,000/-	Fully depreciated in the year of purchase
9	Separately identified Component of Plant and Machinery	4 - 40 years

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Continuous process plant, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment and depreciation is provided accordingly.

Depreciation on additions is provided on a *pro-rata* basis from the month of installation or acquisition and in case of a new Project from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a *pro-rata* basis upto the month preceding the month of deduction/disposal.

1.8 Intangible Assets Acquired Separately and Amortisation:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible Assets and their useful lives are as under:

S. No.	Nature of Assets	Estimated Useful Life of the Assets
1	Computer Software	3 years
2	Trademarks, Technical Know-how	10 years
3	Value of License/Right to use infrastructure	10 years

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Internally Generated Intangible Assets - Research and Development Expenditure:

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

1.9 Non-current Assets Classified as Held for Disposal:

Assets which are available for immediate sale and its sale must be highly probable are classified as "Assets held for Disposal". Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for Disposal". Once classified as held for disposal, such assets are no longer amortised or depreciated. Such assets are stated at the lower of carrying amount and fair value less costs to sell.

1.10 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Raw material, stores and spare parts and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis.

Cost of finished goods and work- in- progress includes cost of conversion based on normal capacity, and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion, and the estimated costs necessary to make the sale.

In the absence of cost, waste/scrap is valued at estimated net realisable value.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.12 Leases:

Finance Lease:

As a Lessee:

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is lower. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

Operating Lease:

As a Lessee:

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

As a Lessor:

The Company has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term.

1.13 Employee Benefits:

Short-Term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

Defined Contribution Plan:

Contribution payable to recognised provident fund and approved superannuation scheme, which are substantially defined contribution plans, is recognised as expense in the Statement of Profit and Loss, as they are incurred.

The provident fund contribution as specified under the law is paid to the Provident Fund set-up as an irrevocable trust by the Company or to the Regional Provident Fund Commissioner. In case of Company managed trust, the Company is liable for any shortfall in the fund assets based on the Government specified minimum rates of return. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same. Having regard to the assets of fund and the return on investments, the Company does not expect any deficiency as at the year end.

Defined Benefit Plan

The obligation in respect of defined benefit plans, which covers Gratuity and Pension, is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of profit and loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields, at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits:

Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

1.14 Foreign Currency Transactions:

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

1.15 Derivative Financial Instruments and Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. The Company does not hold financial instruments for speculative purpose.

Hedge Accounting:

The Company designates certain hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

1.16 Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values 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 principal or the most advantageous market must be accessible by the Company.

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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

1.17 Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Classification and Subsequent Measurement:

- **Financial Assets:**

  The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

  (a) business model for managing the financial assets, and

  (b) the contractual cash flow characteristics of the financial asset.

  A Financial Asset is measured at amortised cost if both of the following conditions are met:

  (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

  (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

  (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

  (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A Financial Asset shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortised cost or at fair value through OCI.

  All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

  Equity Investments:

  Equity investments in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint Ventures at cost.

  All other equity investments are measured at fair value. Equity instruments, which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the company has exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

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Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Cash and Cash Equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash, which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

Impairment of Financial Assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On derecognition of a financial asset , the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of profit and loss.

- **Financial Liabilities and Equity Instruments:**

Classification as Debt or Equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities:

Financial liabilities are classified, at initial recognition:

- at fair value through profit or loss,
- Loans and borrowings,

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 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 loans and borrowings and payables, they are recognised 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.

Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (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.

Derecognition of Financial Liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

1.18 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

(a) Sales are recognised on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sales of goods . It also includes excise duty (as it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not) and price variation based on the contractual agreement. It is measured at fair value of the consideration received net of sales tax/value added tax and discounts. Sales exclude self-consumption of finished goods.

(b) Income from services is recognised (net of service tax as applicable) as they are rendered, based on agreement/ arrangement with the concerned customers.

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(c) Dividend income is accounted for when the right to receive the income is established.

(d) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

(e) Interest income for all financial instruments measured at fair value through other comprehensive income is recognised in the statement of profit and loss.

(f) Export incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

1.19 Employee Share based payments:

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black Scholes Model.

The fair value determined at the grant date of the equity-settled share-based payments, is charged to Profit and Loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses.

1.20 Borrowing Costs:

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognised in the Statement of Profit and Loss in the period in which they are incurred.

1.21 Government Grants and Subsidies:

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates, and is recognised in the Statement of Profit and Loss.

1.22 Provision for Current and Deferred Tax:

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961, and the rules framed thereunder.

Deferred tax is recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse,

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based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities, and assets on a net basis or such tax assets and liabilities will be realized simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in the statement of profit and loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

1.23 Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

1.24 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the 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.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.25 Segment Reporting:

- **Identification of Segments:**

  Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Company.

  Operating Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Geographical segment is identified based on geography in which major operating divisions of the Company operate.

- **Segment Policies:**

  The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

  Further, inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market based.

  Unallocated Corporate Items include general corporate income and expenses which are not attributable to segments.

1.26 Earnings Per Share (EPS):

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.27 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(a) Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amount recognised in the financial statements.

Classification of Idea Cellular Limited as an Associate:

The Company has 4.74% equity ownership of Idea Cellular limited (Idea), which has been considered as an Associate of the Company. By virtue of a memorandum of understanding among certain promoter Companies (including the Company) of Idea, the Company has right to participate in the decision making process of the key policies of Idea which creates significant influence over Idea.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Useful Lives of Property, Plant and Equipment:**

  The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Measurement of Defined Benefit Obligation:**

  The cost of the defined benefit gratuity plan and other Long term employee benefits (Pension and Compensated Absences) 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.

- **Recognition and measurement of provisions and contingencies:**

  Key assumptions about the likelihood and magnitude of an outflow of resources.

- **Fair value Measurement Of Financial Instruments:**

  When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted cash flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgement include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Share-based Payments:**

  The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

  This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

  The assumptions and models used for estimating the fair value for share-based payment transactions are disclosed in Note 4.8.

1.28 Cash Dividend to Equity Holders of the Company:

The Company recognises a liability to make cash distributions 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 is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore

	Gross Block				Depreciation/Amortisation				Net Block
	As at 1st April 2016	Additions	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	Deductions	As at 31st March 2017	As at 31st March 2017
Current Year ended 31st March 2017									
TANGIBLE ASSETS *									
Freehold Land	187.66	-	1.36	**186.30**	-	-	-	-	**186.30**
Leasehold Land#	150.31	0.38	-	**150.69**	4.72	2.57	-	**7.29**	**143.40**
Leasehold Improvements	1.83	0.06	-	**1.89**	0.35	0.37	-	**0.72**	**1.17**
Buildings	977.70	29.52	1.26	**1,005.96**	78.40	48.50	0.07	**126.83**	**879.13**
Plant and Equipment	6,261.78	307.96	13.64	**6,556.10**	675.85	357.43	5.75	**1,027.53**	**5,528.57**
Furniture and Fixtures	25.40	5.56	0.34	**30.62**	8.37	5.05	0.21	**13.21**	**17.41**
Vehicles	90.96	10.10	5.15	**95.91**	21.30	15.20	3.18	**33.32**	**62.59**
Office Equipment	41.88	12.73	0.59	**54.02**	12.25	9.42	0.49	**21.18**	**32.84**
Salt Pans, Reservoir and Condensers	7.41	-	-	**7.41**	6.57	0.47	-	**7.04**	**0.37**
Railway Sidings	15.68	-	-	**15.68**	7.92	1.56	-	**9.48**	**6.20**
Total Tangible Assets	**7,760.61**	**366.31**	**22.34**	**8,104.58**	**815.73**	**440.57**	**9.70**	**1,246.60**	**6,857.98**
INTANGIBLE ASSETS									
Computer Software	8.74	2.48	-	**11.22**	4.55	2.10	-	**6.65**	**4.57**
Value of License/Right to Use Infrastructure	22.36	13.75	-	**36.11**	10.55	2.89	-	**13.44**	**22.67**
Technical Know-how	2.88	-	-	**2.88**	0.78	0.57	-	**1.35**	**1.53**
Trade Mark (Note 2.1.6)	0.07	-	-	**0.07**	-	0.01	-	**0.01**	**0.06**
Total Intangible Assets	**34.05**	**16.23**	-	**50.28**	**15.88**	**5.57**	-	**21.45**	**28.83**
	7,794.66	**382.54**	**22.34**	**8,154.86**	**831.61**	**446.14**	**9.70**	**1,268.05**	**6,886.81**
							Capital Work-in-Progress (including Pre-Operative Expenses)		**375.48**
								Total PPE	**7,262.29**

* Net Block of Tangible Assets amounting to ₹ 3,158.62 Crore are pledged as security against the secured borrowings.

\# The Leasehold Land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.

2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore

	Gross Block						Depreciation/Amortisation					Net Block
	Deemed Cost as at 1st April, 2015 (Note 2.1.8)	Addition on Amalgamation of ABCIL (Note 4.15)	Addition on Acquisition (Note 2.1.9)	Additions	Deductions	As at 31st March 2016	As at 1st April 2015	Addition on Amalgamation of ABCIL (Note 4.15)	For the Year	Deductions	As at 31st March 2016	As at 31st March 2016
Previous Year ended 31st March 2016												
TANGIBLE ASSETS												
Freehold Land	88.94	77.40	20.94	0.43	0.05	187.66	-	-	-	-	-	187.66
Leasehold Land#	88.19	10.17	22.87	29.08	-	150.31	-	2.79	1.93	-	4.72	145.59
Leasehold Improvements	-	-	-	1.83	-	1.83	-	-	0.35	-	0.35	1.48
Buildings	699.99	175.24	46.84	55.63	-	977.70	-	24.14	54.26	-	78.40	899.30
Plant and Equipment	4,192.35	1,493.96	115.06	483.48	23.07	6,261.78	-	330.45	349.76	4.36	675.85	5,585.93
Furniture and Fixtures	13.27	5.20	0.04	7.00	0.11	25.40	-	4.06	4.35	0.04	8.37	17.03
Vehicles	74.62	9.27	-	8.58	1.51	90.96	-	3.81	18.12	0.63	21.30	69.66
Office Equipment	25.71	6.73	0.45	9.28	0.29	41.88	-	3.87	8.50	0.12	12.25	29.63
Salt pans, reservoir and condensers	-	7.41	-	-	-	7.41	-	5.44	1.13		6.57	0.84
Railway Sidings	1.43	13.93	-	0.32	-	15.68	-	6.43	1.49		7.92	7.76
Total Tangible Assets	5,184.50	1,799.31	206.20	595.63	25.03	7,760.61	-	380.99	439.89	5.15	815.73	6,944.88
INTANGIBLE ASSETS												
Computer Software	3.32	3.73	-	1.70	0.01	8.74	-	2.46	2.13	0.04	4.55	4.19
Value of Licence	-	22.36	-	-	-	22.36	-	8.46	2.09		10.55	11.81
Technical Knowhow	2.32	-	-	0.56	-	2.88	-	-	0.78		0.78	2.10
Trade Mark (Note 2.1.6)	-	-	-	0.07	-	0.07	-	-	-		-	0.07
Total Intangible Assets	5.64	26.09	-	2.33	0.01	34.05	-	10.92	5.00	0.04	15.88	18.17
	5,190.14	1,825.40	206.20	597.96	25.04	7,794.66	-	391.91	444.89	5.19	831.61	6,963.05
											Capital Work-in-Progress (including Pre-Operative Expenses)	317.65
											Total PPE	7,280.70

#The Leasehold Land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes:

₹ in Crore

		As at 31st March, 2017	As at 31st March, 2016
2.1.1	**Leasehold and Freehold land includes cost of land for which lease deeds are in the process of execution (Net Block)**	**37.14**	37.39
	The titles of the immovable assets transferred from ABCIL pursuant to the Scheme of Amalgamation, the immovable assets acquired from Jayshree Chemicals Ltd. are in the process of being transferred in the name of the Company (Net Block)	**102.08**	135.19
2.1.2	**Building includes workers' quarters mortgaged with State Government against subsidies received:**		
	Gross Block	**0.45**	0.45
	Net Block	**0.01**	0.01
2.1.3	**Assets Held on Co-ownership with other companies:**		
	Gross Block	**116.84**	115.05
	Net Block	**93.05**	91.20
2.1.4	**PPE includes Capital Expenditure for Research and Development Activities:**		
	Gross Block	**137.39**	106.24
	Net Block	**104.84**	80.32
	Additions during the Year	**32.11**	4.60
	Capital Work-in-Progress	**3.04**	0.96
2.1.5	**Additions to PPE includes Capitalisation on Account of:**		
	Finance Costs	**-**	0.37
2.1.6	**Amortisation Expense related to Trademark is ₹ 0.01 Crore (Previous year ₹ 13,307)**		
2.1.7	**Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:**		
	Expenditure incurred during the year:		
	Salaries, Wages, Bonus and Gratuity	**0.50**	-
	Rent and Hire Charges	**0.10**	-
	Power and Fuel	**0.48**	-
	Insurance	**0.37**	-
	Other Expenses	**0.38**	-
		1.83	-
	Add: Pre-Operative Expenditure Incurred upto Previous Year	**-**	9.77
	Add:Transferred from ABCIL pursuant to the Scheme of Amalgamation	**-**	0.56
	Less: Pre-Operative Expenditure Allocated to PPE during the Year	**-**	10.14
	Less: Pre-Operative Expenditure Charged to Statement of Profit and Loss during the Year	**-**	0.19
	Total Pre-Operative Expenses Pending Allocation	**1.83**	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1.8 Details of Gross Block and Accumulated Depreciation as per Previous GAAP as at 1st April, 2015, are as follows:

₹ in Crore

Particulars	Gross Block	Accumulated Depreciation	Net Block Considered as Deemed cost	Ind AS Adjustments {Note 4.12(K)}	Deemed Cost for Ind AS as on 1st April 2015
TANGIBLE ASSETS					
Freehold Land	88.94	-	88.94	-	88.94
Leasehold Land	92.00	3.81	88.19	-	88.19
Buildings	857.65	157.66	699.99	-	699.99
Plant and Equipment	6,045.25	1,855.50	4,189.75	2.60	4,192.35
Furniture and Fixtures	35.87	22.60	13.27	-	13.27
Vehicles	106.77	32.15	74.62	-	74.62
Office Equipment	85.67	59.96	25.71	-	25.71
Railway Sidings	5.35	3.92	1.43	-	1.43
Total Tangible Assets	**7,317.50**	**2,135.60**	**5,181.90**	**2.60**	**5,184.50**
INTANGIBLE ASSETS					
Computer Software	13.67	10.35	3.32	-	3.32
Technical Know-how	2.50	0.18	2.32	-	2.32
Trade Mark	0.01	0.01	-	-	-
Total Intangible Assets	**16.18**	**10.54**	**5.64**	**-**	**5.64**
Total Assets (A + B)	**7,333.68**	**2,146.14**	**5,187.54**	**2.60**	**5,190.14**

The Deemed cost as on 1st April, 2015 as per the last column of above Table has been considered as the cost for opening financial statements as per Ind AS as on 1st April 2015 as per transition provision in Ind AS 101, accordingly accumulated depreciation as per Previous GAAP as on 1st April 2015 is not carried forward for Ind AS financial statements.

2.1.9 Value of PPE acquired (Ganjam, Odisha and Pundi, Andhra Pradesh, Units of Jayshree Chemicals Ltd.) during the previous year at a consideration of ₹ 206.20 Crore.

2.1.10 During the previous year, the Company has componentised PPE transferred to it on amalgamation of ABCIL, and has separately assessed the life of major components, forming part of the main asset. Consequently, the depreciation charge for the previous year is higher by ₹ 28.87 Crore on account of higher depreciation on components.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.2 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ in Crore

	Face Value	No. of Shares/ Securities	As at 31st March, 2017		As at 31st March, 2016	As at 1st April, 2015
(Long-Term, Fully Paid-up)						
Investments in Equity Instruments						
Subsidiaries: Carried at Cost						
UltraTech Cement Limited #	₹ 10	165,335,150	**2,636.25**		2,636.25	2,636.25
Samruddhi Swastik Trading and Investments Limited	₹ 10	6,500,000	**6.50**		6.50	6.50
Sun God Trading and Investments Limited	₹ 10	53,900	**0.05**		0.05	0.05
Grasim Bhiwani Textiles Limited (Note 2.2.3)	₹ 10	20,050,000	**60.05**		60.05	60.05
Aditya Birla Chemicals (Belgium) BVBA $	EURO 1	6,198	**0.05**		0.05	-
				2,702.90	2,702.90	2,702.85
Joint Ventures: Carried at Cost						
AV Cell Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 13.50 Million (Previous Year 81,000 shares) (Notes 2.2.3 and 2.2.8)	WPV	-	-		50.66	50.66
AV Nackawic Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 24.75 Million (Previous Year 123,750 shares) (Notes 2.2.3 and 2.2.8)	WPV	-	-		102.38	102.38
AV Group NB Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 38.25 Million (Note 2.2.3 and 2.2.8)	WPV	204,750	**153.04**		-	-
Birla Jingwei Fibres Co. Limited, China, Shares of aggregate value of RMB 174.53 Million (Note 2.2.3)	WPV	-	**117.40**		117.40	117.40
Birla Lao Pulp and Plantations Company Limited, Laos (Previous Year 19,440 shares)	US$ 1000	19,520	**95.71**		95.18	91.24
Impairment in value of Investments (Note 2.2.4)			**(55.43)**		(55.43)	(26.24)
Bhubaneswari Coal Mining Limited	₹ 10	33,540,000	**33.54**		33.54	33.54
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey (Note 2.2.6)	TRY 10	-	-		-	56.67
AV Terrace Bay Inc., Canada (Note 2.2.3)	CAD 1	28,000,000	**156.36**		156.36	156.36
Aditya Group AB, Sweden (Note 2.2.3)	SEK 1000	50	**274.89**		274.89	274.89
				775.51	774.98	856.90
Associates: Carried at Cost						
Idea Cellular Limited # (Note 2.2.3 and 2.2.7)	₹ 10	171,013,894	**171.01**		171.01	171.01
Aditya Birla Science & Technology Company Private Limited (Note 2.2.7) (Formerly known as Aditya Birla Science & Technology Company Limited)	₹ 10	7,799,500	**7.80**		7.80	7.80
				178.81	178.81	178.81

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

	Face Value	No. of Shares/ Securities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Others: Carried at Fair Value through Other Comprehensive Income (FVTOCI) {Note 2.2.9 (a)}					
Thai Rayon Public Company Limited, Thailand#	Thai Baht 1	13,988,570	**123.77**	102.56	70.50
P.T. Indo Bharat Rayon Co. Limited, Indonesia	US$ 100	5,000	**347.11**	258.84	247.06
Aditya Birla Ports Limited	₹ 10	50,000	**0.07**	0.05	0.05
Aditya Birla Nuvo Limited # (Note 2.2.5)	₹ 10	3,345,816	**509.25**	275.95	556.29
Larsen & Toubro Limited # *	₹ 2	2,631,869	**415.20**	320.09	23.11
Hindalco Industries Limited #	₹ 1	54,542,475	**1,064.12**	479.43	704.42
Indophil Textile Mills Inc., Philippines	Peso 10	422,496	**3.30**	3.30	3.37
Birla International Limited - Isle of Man	CHF 100	2,500	**3.96**	3.96	3.70
JSW Steel (Salav) Limited (Formerly known as Welspun Maxsteel Limited)	₹ 10	1,400,000	**0.10**	0.10	0.10
Aditya Birla Fashion and Retail Ltd # (Note 2.2.5)	₹ 10	17,398,243	**267.58**	250.01	-
			2,734.46	1,694.29	1,608.60
Investments in Preference Shares:					
Carried at fair value through Profit or Loss (FVTPL) Note {2.2.9 (c)}					
Joint Ventures					
6% Cumulative Redeemable Retractable, Non-voting Preferred Shares of AV Group NB Inc., Canada of aggregate value of Canadian Dollar 6.75 Million (Note 2.2.8)	WPV	6,750,000	**20.58**	20.46	18.48
1% Redeemable Preference Shares of Aditya Group AB, Sweden of aggregate value of USD 8 Million	WPV	160,000	**42.37**	47.13	41.45
Others					
5.25% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	2,500,000	**22.66**	20.94	19.34
11% Redeemable, Cumulative Non-Convertible Preference Shares of TANFAC Industries Limited $	₹ 100	500,000	**0.76**	0.69	-
			86.37	89.22	79.27
Investments in Government or Trust Securities- Carried at Cost					
Deposited with Government Departments			-	0.02	0.02
Investments in Debentures and Bonds: Carried at FVTOCI # {Note 2.2.9(b)}					
Tata Steel Limited - 11.80% Perpetual NCD (Previous Year 80 units)	₹ 1,000,000	-	-	-	8.75
Housing and Urban Development Corporation Limited -Tax-Free Bond - 8.10% 2022	₹ 1000	195,000	**21.04**	20.52	20.35
Indian Railway Finance Corporation Limited -Tax-Free Bond - 7.18% 2023	₹ 1000	400,000	**41.82**	40.47	39.90
Indian Railway Finance Corporation Limited -Tax-Free Bond - 7.34% 2028	₹ 1000	600,000	**65.43**	61.38	60.39
National Highways Authority of India -Tax-Free Bond - 8.20% 2022	₹ 1000	147,238	**15.94**	15.57	15.50

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

	Face Value	No. of Shares/ Securities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Power Finance Corporation Limited - Tax-Free Bond - 8.20% 2022	₹ 1000	119,546	**12.94**	12.63	12.57
Family Credit Limited Perpetual NCD-	₹ 10,00,000	112	**12.19**	-	-
Taxable Bond 11.5% 2021					
State Bank of India -Taxable Bond 9.50% 2025	₹ 10,000	107	**0.12**	0.12	0.11
			169.48	150.69	157.57
$Transferred from ABCIL in FY 2015-16 pursuant to scheme of Amalgamation					
Investments In various Mutual Funds units: Carried at Fair Value through Profit or Loss # {Note 2.2.9 (c)}	₹ 10	711,050,000	**776.56**	296.00	52.14
(Previous Year 291,500,000 units)					
			7,424.09	5,886.91	5,636.16

WPV - Without Par Value
Quoted Investments
* Non transferable due to litigation upto 19th January, 2016, since settled

2.2.1 Aggregate Book Value of:

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Quoted Investments	**6,133.22**	4,681.99	4,371.29
Unquoted Investments	**1,290.87**	1,204.92	1,264.87
	7,424.09	5,886.91	5,636.16
Aggregate Market Value of Quoted Investments	**70,759.46**	57,105.26	53,210.39
Aggregate Impairment in Value of Investments	**55.43**	55.43	26.24

2.2.2 Category wise Non-Current Investments:

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Quoted:			
Financial Investments measured at FVTOCI			
Equity Shares	**2,379.92**	1,428.04	1,354.32
Debentures or Bonds	**169.48**	150.69	157.57
Sub-Total (a)	**2,549.40**	1,578.73	1,511.89
Financial Investments measured at FVTPL			
Mutual Funds' Units	**776.56**	296.00	52.14
Sub-Total (b)	**776.56**	296.00	52.14
Financial Investments carried at cost			
Equity shares	**2,807.26**	2,807.26	2,807.26
Sub-Total (c)	**2,807.26**	2,807.26	2,807.26
Sub-Total (a + b + c)	**6,133.22**	4,681.99	4,371.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unquoted:			
Financial Investments measured at FVTOCI			
Equity Shares	**354.54**	266.25	254.28
Sub-Total (a)	**354.54**	266.25	254.28
Financial Investments measured at FVTPL			
Preference Shares	**86.37**	89.22	79.27
Sub-Total (b)	**86.37**	89.22	79.27
Financial Investments carried at cost			
Equity shares	**849.96**	849.43	931.30
Government or Trust Securities	**-**	0.02	0.02
Sub-Total (c)	**849.96**	849.45	931.32
Sub-Total (a + b + c)	**1,290.87**	1,204.92	1,264.87

2.2.3 The investments in Company's Subsidiary, Grasim Bhiwani Textiles Limited; its Joint Ventures, AV Group NB Inc., AV Terrace Bay Inc., Birla Jingwei Fibres Company Limited, Aditya Group AB; and its Associate, Idea Cellular Limited, are subject to maintenance of specified holding by the Company until the credit facility provided by certain lenders to respective companies are outstanding. Without guaranteeing the repayment to the lenders, the Company has also agreed that the affairs of the Subsidiary and Joint Ventures will be managed through its nominee directors on the boards of respective borrowing companies, in such a manner that they are able to meet their respective financial obligations.

2.2.4 The Company holds 40% stake in Birla Lao Pulp and Plantations Company Ltd. (BLPP), a joint venture of the Company to secure pulp requirement for its VSF business at a cost of ₹ 95.71 Crore. Considering the overcapacity in both pulp and fibre businesses, it's strategic importance to the Company had diminished. Therefore, the Company provided ₹ 55.43 Crore (Current Year: ₹ Nil Crore; Previous Year: ₹ 29.19 Crore during the previous year), towards diminution, other than temporary, in the value of the said investment being the excess of the cost over the estimated enterprise value. It has been disclosed as exceptional item in the previous year.

2.2.5 During previous year, pursuant to the Composite Scheme of Arrangement, Aditya Birla Nuvo Limited (ABNL) has transferred it's branded apparel retailing division to Aditya Birla Fashion and Retail Limited (ABFRL). In terms of the Scheme, 26 fully paid up equity shares of ₹ 10 each of ABFRL has been allotted for every 5 equity shares of ABNL. Accordingly, 17,398,243 shares have been allotted to the Company. The carrying cost of equity shares of ABNL has been apportioned to equity shares of ABFRL as acquisition cost on the basis of decrease in market value of shares of ABNL as the effect of said Composite Scheme.

2.2.6 The Company holds 33.33% stake in its Joint Venture, Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (ABEST), Turkey. ABEST has decided not to pursue it's project in Turkey. As ABEST plans to return the capital to it's shareholders, the Company has reclassified its investment in ABEST from Non-current Investment to current investment during previous year. In the current year, ABEST has returned ₹ 42.68 Crore and the difference between Gross investment amount and actual receipt has resulted in an exchange loss of ₹ 13.52 Crore due to currency depreciation of Turkey.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.2.7 The Company has opted to measure its Investments in Associates at cost in terms of the exemption available in Ind AS 101- First Time Adoption of Ind AS. Accordingly, the book value of Investments in Associates as on 1st April 2015 (the transition date), as per previous GAAP has been now considered as deemed cost. These investments were measured at fair value till 31st December, 2016. Therefore, the previous periods' amount of OCI have been recasted w.e.f. 1st April, 2015 to align with the accounting policy adopted, as stated above.

2.2.8 AV Cell Inc. and AV Nackawic Inc. have been merged into AV Group NB Inc. w.e.f. 1st April 2016 and accordingly shares of AV Group NB Inc. have been received in lieu of shares held in AV Cell Inc. and AV Nackawic Inc.. There has been no change in the Company's ownership in AV Group NB Inc. on account of merger.

2.2.9 Disclosure requirement of Ind AS 107- Financial Instruments: Disclosure:

a. Equity Instruments (Other than Subsidiaries, Joint Venture and Associates) designated at FVTOCI

These investments have been designated on initial recognition to be measured at FVTOCI as these are strategic investments and are not intended for sale.

b. Debentures and Bonds designated at FVTOCI

Investments in Debentures or Bonds meet the contractual cash flow test as required by Ind AS 109- Financial Instruments. However, the business model of the company is such that it does not hold these investments till maturity as the Company intends to sell these investments as an when need arises. Hence, the same have been designated at FVTOCI.

c. Mutual Funds' Units and Preference Shares designated at FVTPL

Preference Shares and Mutual Funds have been designated on initial recognition at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109- Financial Instruments, for being designated at amortised cost or FVTOCI, hence, classified at FVTPL.

2.3 NON-CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(Unsecured, Considered Good unless otherwise stated)			
Security Deposits *	**77.55**	76.88	48.97
Loans to Related Parties (Note 4.5.4)	**53.38**	42.05	54.03
Loans to Employees	**10.87**	8.01	9.24
	141.80	126.94	112.24

* Includes deposit of ₹ 5.25 Crore (Previous Year ₹ 5.25 Crore) given to Aditya Birla Management Corporation Pvt. Limited (ABMCPL), a company limited by guarantee. Directors of which include Directors of the Company. The Company is one of the Promoter members of ABMCPL, which has been formed to provide a common pool of facilities and resources to its members, with a view to optimise the benefits of specialisation and minimise cost to each member. The Company's share of expenses, under the common pool, has been accounted for under the appropriate heads.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.3.1 Disclosure as per Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(a) Loans given to Subsidiaries and Associates (including Current and Non-current Loans):

₹ in Crore

Name of Companies	Terms	Maximum Balance Outstanding during the		Amount Outstanding	
		Current Year	Previous Year	Current Year	Previous Year
Subsidiaries:					
Samruddhi Swastik Trading and Investments Limited	Payable on call, interest rate 7.5% p.a.	-	2.38	-	-
Aditya Birla Chemicals (Belgium) BVBA	Expenditure to be recovered	**0.09**	0.10	**0.10**	0.10
Grasim Bhiwani Textiles Limited	Interest rate 8.75% p.a., repayment in 3 years	**18.61**	19.61	**16.29**	13.61
Associates:					
Aditya Birla Science & Technology Company Private Limited	Payable after 3 years, Interest rate 6.75% p.a. to 10.25% p.a.	**11.83**	11.84	**11.35**	11.83
		30.53	33.93	**27.74**	25.54

The Loans have been utilised for meeting their business requirements.

(b) Refer Note 2.2 for investments

2.4 NON-CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fixed Deposits with Banks with maturity more than 12 months #	**1.36**	1.09	-
	1.36	1.09	-

Lodged as security with Government Departments.

2.5 OTHER NON-CURRENT ASSETS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Advances for Purchase of Property, Plant and Equipment	**54.76**	57.88	71.76
Security Deposits	**2.10**	1.84	0.17
Other Advances (Deposit with Government Authorities, etc.)	**0.78**	0.84	2.10
	57.64	60.56	74.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.6 INVENTORIES

(Valued at lower of cost and net realisable value, unless otherwise stated)

₹ in Crore

Name of Companies	As at 31st March 2017			As at 31st March 2016			As at 1st April 2015
	In Hand	In Transit	Total	In Hand	In Transit	Total	Total
Raw Materials	697.66	467.96	1,165.62	568.91	395.37	964.28	# 848.29
Work-in-Progress	32.40	-	32.40	33.48	-	33.48	25.57
Finished Goods	232.29	74.22	306.51	323.29	58.16	381.45	# 356.39
Stock-in-trade	0.53	-	0.53	5.61	-	5.61	-
Stores and Spare Parts	103.45	1.66	105.11	96.23	0.19	96.42	# 58.57
Fuel	93.23	10.44	103.67	88.72	3.57	92.29	#113.33
By-Products	2.78	-	2.78	16.54	-	16.54	16.62
Waste/Scrap (valued at Net Realisable Value)	4.25	-	4.25	4.86	-	4.86	4.99
Others (mainly Packing Materials)	11.87	-	11.87	10.44	-	10.44	6.44
	1,178.46	554.28	1,732.74	1,148.08	457.29	1,605.37	1,430.20

includes in Transit (Raw materials ₹ 306.22 Crore, Finished Goods ₹ 64.34 Crore, Stores and Spare parts ₹ 0.01 Crore and Fuel ₹ 12.95 Crore).

2.6.1 The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for the year ₹ 1.96 Crore (31st March 2016 ₹ 2.78 Crore). Inventory values shown above are net of the provisions.

2.6.2 Working Capital Borrowings are secured by hypothecation of stocks of the Company.

2.7 CURRENT FINANCIAL ASSETS- INVESTMENTS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Quoted:			
Investment in various Mutual Funds Units: Carried at Fair Value through Profit or Loss			
9,103,488 Units (Previous Year 108,500,692 Units)	11.81	135.31	99.21
Unquoted:			
Investment in various Mutual Funds Units: Carried at Fair Value through Profit or Loss			
744,706,675 Units (Previous Year 378,513,756 Units)	1,559.05	975.73	808.37
Investments in Equity Instruments-Carried at cost (Note 2.2.6)			
Joint Ventures:			
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey (Unquoted)	0.47	56.67	-
{Face Value TRY 10, Nos. 16,665 (Previous year Nos. 1,999,998)}			
Investments in Bonds: Carried at Fair Value through Other Comprehensive Income			
HDFC -Taxable 9.6 % 2017 (Quoted)	1.00	-	-
Other Investments:			
Fixed Deposit with Corporates (Unquoted)	-	45.00	45.00
	1,572.33	1,212.71	952.58

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7.1 Aggregate Book Value of:

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Quoted Investments	12.81	135.31	99.21
Unquoted Investments	1,559.52	1,077.40	853.37
	1,572.33	1,212.71	952.58
2.7.2 Aggregate Market Value of Quoted Investments	12.81	135.31	99.21
Aggregate Impairment in Value of Investments	-	-	-

2.8 TRADE RECEIVABLES*

(Unsecured, unless otherwise stated)

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Considered Good {Secured ₹ 5.41 Crore (Previous Year ₹ 4.98 Crore)}	1,189.55	992.37	687.49
Doubtful	9.55	3.76	1.50
	1,199.10	996.13	688.99
Less: Loss Allowance	9.55	3.76	1.50
	1,189.55	992.37	687.49
* Includes amount in respect of which the Company holds Deposits and Letters of Credit/Guarantees from Banks	191.78	213.87	235.51

2.8.1 Working Capital Borrowings are secured by hypothecation of Book debts of the Company

2.9 CASH AND CASH EQUIVALENTS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with Banks			
In Current Account	25.74	9.74	12.39
In Deposit Account - Original Maturity of 3 Months or Less	-	1.74	25.00
In EEFC Account	8.58	11.35	5.07
Cash on Hand	0.27	0.23	0.09
	34.59	23.06	42.55

2.10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Earmarked Balance with Banks			
In Government Treasury Saving Account	0.03	0.01	0.01
Unclaimed Dividend	16.37	10.03	10.37
Bank Deposits (with maturity more than 3 months but less than 12 months)*	1.75	1.91	0.26
	18.15	11.95	10.64
* Includes			
Lodged as Security with Government Departments	0.51	0.14	0.12
Unclaimed Fractional Warrants	0.10	0.11	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.11 CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured (Considered Good, unless otherwise stated)			
Security Deposits	**40.95**	39.90	41.41
Loans to Related Parties (Note 4.5.4)	**7.16**	18.07	14.54
Deposits with Body Corporates	**-**	-	30.00
Loan to Employees	**2.44**	7.40	4.43
	50.55	65.37	90.38

2.12 CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest Accrued on Investments	**4.92**	7.57	4.84
Advances to Employees	**3.18**	2.76	1.26
Others (Insurance Claim Receivable, Receivables from Mutual Funds against Redemption, etc.)	**33.55**	10.38	4.48
	41.65	20.71	10.58

2.13 OTHER CURRENT ASSETS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with Government Authorities	**103.25**	131.00	280.69
Security Deposits	**0.18**	0.26	0.12
Other Receivables from Related Parties	**-**	0.41	-
Advances to Suppliers	**119.85**	110.77	103.67
Less: Loss Allowance	**(0.04)**	(0.04)	(0.04)
Others (includes Interest Subsidy Receivable, Prepayments, etc.)	**68.15**	84.46	87.32
	291.39	326.86	471.76

2.14 EQUITY SHARE CAPITAL

2.14.1 Authorised

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
597,500,000 Equity Shares of ₹ 2 each (Previous Year 119,500,000 Shares of ₹ 10 each, As at 1st April 2015 95,000,000 Shares of ₹ 10 each)	**119.50**	119.50	95.00
Redeemable Cumulative Preference Shares of ₹ 100 each			
150,000 15% "A" Series	**1.50**	1.50	1.50
100,000 8.57% "B" Series	**1.00**	1.00	1.00
300,000 9.30% "C" Series	**3.00**	3.00	3.00
50,000 11%	**0.50**	0.50	-
	125.50	125.50	100.50

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
2.14.2	**Issued, Subscribed and Fully Paid-up**			
	466,837,110 Equity Shares of ₹ 2 each (Previous Year 93,346,106 Shares of ₹ 10 each) fully paid-up	**93.37**	93.35	91.86
	Share Capital Suspense			
	28,295 Equity Shares of ₹ 2 each (Previous Year 14,879 Shares of ₹ 10 each) to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under Scheme of Arrangement without payment being received in cash	*	0.01	0.01
		93.37	93.36	91.87

* ₹ 56,590

2.14.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

₹ in Crore

	Number of Shares		Current Year	Previous Year
	Current Year	Previous Year		
Outstanding as at the beginning of the year (Pre-split)	**93,360,985**	91,867,064	**93.36**	91.87
Adjustment for Sub-Division of Equity Shares (Note 2.14.8)	**373,443,940**	-	-	-
Outstanding as at the beginning of the year (Post-split)	**466,804,925**	91,867,064	**93.36**	91.87
Issued during the year to the Shareholders of ABCIL pursuant to the Scheme of Amalgamation (Note 4.15)	-	1,461,657	-	1.46
Issued during the year under Employee Stock Option Scheme	**106,580**	32,264	**0.02**	0.03
Less: Cancellation from Shares Capital Suspense Account	**46,100**	-	**0.01**	-
Outstanding as at the end of the year	**466,865,405**	93,360,985	**93.37**	93.36

2.14.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2 per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.14.5 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

₹ in Crore

	Current Year		Previous Year	
	No. of Shares	% Holding	No. of Shares	% Holding
Turquoise Investments and Finance Private Limited	**29,541,705**	**6.33%**	5,908,341	6.33%
Trapti Trading and Investments Private Limited	**27,389,315**	**5.87%**	5,477,863	5.87%
Life Insurance Corporation of India	**28,952,784**	**6.20%**	6,280,468	6.73%

2.14.6	Equity Shares of ₹ 2 each (Previous Year ₹ 10 each) represented by Global Depository Receipts (GDRs) (GDR holders have voting rights as per the Deposit Agreement)	**48,534,477**	**10.40%**	12,454,572	13.34%
2.14.7	Aggregate Number of Equity Shares allotted as fully paid-up during the period of five years immediately preceding thereporting date without payment being received in cash	**1,461,684**		1,461,684	

2.14.8 During the current year, the shareholders of the Company have approved sub-division of equity shares of the Company from one (1) equity share of face value ₹ 10 each fully paid up to five (5) equity shares of face value ₹ 2 each fully paid up. Accordingly, Earnings Per Share of previous year has been recasted.

2.15 OTHER EQUITY

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Securities Premium Reserve	**50.26**	44.99	37.98
General Reserve	**10,389.08**	9,889.08	9,345.81
Capital Reserve	**38.94**	38.93	-
Retained Earnings	**3,434.87**	2,604.32	1,938.58
Debt Instruments through Other Comprehensive Income	**8.49**	3.39	2.38
Equity Instruments through Other Comprehensive Income	**2,195.18**	1,180.14	1,091.85
Hedging Reserve	-	-	(0.01)
Employee Share Options Outstanding #	**20.79**	17.64	13.60
	16,137.61	13,778.49	12,430.19

Net of Deferred Employees' Compensation Expenses ₹ 3.58 Crore (Previous Year ₹ 7.54 Crore, 1st April 2015 ₹ 9.77 Crore)

The Description of the nature and purpose of each reserve within equity is as follows:

a. **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

b. **General Reserve:** It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

c. **Capital Reserve:** Capital Reserve is mainly the reserve created during business combination of erstwhile ABCIL with the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

d. **Debt Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of debt instruments measured at fair value through OCI, net of amount reclassified to Proft or loss on disposal of such instruments.

e. **Equity Instrument through OCI:** It represents the cumulative gains/(losses) arising on the revaluation of Equity Shares (other than investments in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI, net of amounts reclassified to Retained Earnings on disposal of such instruments.

f. **Hedging Reserve:** It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.

g. **Employee Share Option Outstanding:** The Company has two share option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.

2.16 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Rupee Term Loans from Banks	**376.20**	621.49	834.76
Unsecured			
Deferred Sales Tax Loans (Note 4.7.2)	**7.48**	11.84	21.78
	383.68	633.33	856.54

2.16.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current

₹ in Crore

	Current Year		Previous Year		As at 1st April 2015	
	Current *	Non-Current	Current *	Non-Current	Current *	Non-Current
Secured Long-Term Borrowings:						
(a) Rupee Term Loan secured by first charge on the PPE, both present and future, of the Company located at Nagda (Staple Fibre and Chemical Divisions), Kharach (Staple Fibre Division) and Harihar (Staple Fibre and Pulp Divisions) Quarterly ballooning repayment from April 2010, over 8 years	**39.38**	-	**52.50**	39.38	**46.88**	91.88
(b) Rupee Term Loan secured by first charge on the Plant and Machinery, both present and future, of the Company located at Vilayat (Staple Fibre Division) Quarterly ballooning repayment from April 2014, over 5 years	**202.50**	346.50	**157.50**	549.00	**112.50**	706.49

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

	Current Year		Previous Year		As at 1st April 2015	
	Current *	Non-Current	Current *	Non-Current	Current *	Non-Current
(c) Rupee Term Loan secured by exclusive charge on certain specific PPE of Nagda (Staple Fibre Division) Quarterly ballooning repayment from May 2016, over 5 years	**4.23**	29.70	**3.28**	33.11	-	36.39
(d) Rupee Term Loan secured by exclusive charge on certain specific PPE of the Company located at Nagda (Staple Fibre Division) and Harihar (Staple Fibre and Pulp Divisions) Quarterly ballooning repayment from October 2007, over 8 years	-	-	-	-	**6.68**	-
Total Secured Borrowings (I)	**246.11**	376.20	**213.28**	621.49	**166.06**	834.76
Unsecured Long-Term Borrowings:						
(a) Deferred Sales Tax Loans (Interest Free) (Commercial Tax Department) (from Gujarat State Government)						
- Repayable in six annual instalments starting from 31st May, 2012	**10.89**	-	**10.89**	10.89	**10.89**	21.78
- Repayable after ten years from the respective year in which the actual tax was collected, starting from 14th March, 2011	-	-	-	-	**7.27**	-
(b) Industrial Investment Promotion Scheme - 2012 (At Amortised Cost) # (from Uttar Pradesh State Government)						
- Repayable on 27th March 2022	-	0.60	-	0.95	-	-
- Repayable on 7th August 2023	-	3.33	-	-	-	-
- Repayable on 25th December 2023	-	3.55	-	-	-	-
Total Unsecured Borrowings (II)	**10.89**	7.48	**10.89**	11.84	**18.16**	21.78
Total Borrowings (I + II)	**257.00**	383.68	**224.17**	633.33	**184.22**	856.54

* Amount disclosed as Current Maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.23)

2.16.2 Maturity Profile of Non-Current Borrowings (including Current Maturities) is as set out below:

₹ in Crore

		Maturity Profile			
		Within 2 Years	3-4 Years	5-6 Years	7 Years & Above
Secured					
Rupee Term Loans from Banks		598.52	20.29	3.50	-
Unsecured					
Deferred Sales Tax Loans (includes amount recognised in Notes 2.20 and 2.24)		10.89	-	0.95	12.20
Total	**Current Year**	**609.41**	**20.29**	**4.45**	**12.20**
	Previous Year	481.49	361.05	14.01	0.95

2.16.4 The rate of interest on borrowings ranges from 9% to 11%.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.17 NON-CURRENT OTHER FINANCIAL LIABILITIES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Security and Other Deposits	**2.70**	1.94	1.15
	2.70	1.94	1.15

2.18 NON-CURRENT PROVISIONS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
For Employee Benefits (Gratuity, Leave Encashment and Pension) {Note 4.6.1}	**77.51**	72.28	49.57
	77.51	72.28	49.57

2.19 DEFERRED TAX LIABILITIES (NET)

₹ in Crore

	As at 31st March 2017	MAT Credit Utilised	Charge for the Current Year		As at 31st March 2016
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Liabilities:					
Accumulated Depreciation	**1,039.86**	-	58.29	-	981.57
Fair Valuation of Equity Instruments and Bonds measured at FVTOCI	**109.63**	-	-	26.67	82.96
Fair Valuation of Mutual Funds measured at FVTPL	**-**	-	(0.71)	-	0.71
Others	**0.81**	-	0.78	-	0.03
	1,150.30	-	58.36	26.67	1,065.27
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	**16.04**	-	6.23	-	9.81
Expenses Allowable in Instalments in Income Tax	**21.13**	-	(3.62)	-	24.75
Provision for Contingencies Allowable on Payment Basis	**9.90**	-	(2.48)	-	12.38
Income Tax Interest offered for tax, to be claimed in future	**21.33**	-	21.33	-	-
MAT Credit Entitlement	**414.42**	105.95	-	-	520.37
Fair Valuation of Preference Shares measured at FVTPL	**4.50**	-	0.65	-	3.85
	487.32	105.95	22.11	-	571.16
Deferred Tax Liabilities (Net)	**662.98**	105.95	36.25	26.67	494.11

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

	As at 31st March 2016	Transferred from ABCIL on its Amalgamation	Charge for the Previous year		As at 1st April 2015
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Liabilities:					
Accumulated Depreciation	981.57	133.41	156.05	-	692.11
Fair Valuation of Equity Instruments and Bonds measured at FVTOCI	82.96	-	-	10.30	72.66
Fair Valuation of Mutual Funds measured at FVTPL	0.71	-	0.36	-	0.35
Others	0.03	-	(0.01)	-	0.04
	1,065.27	133.41	156.40	10.30	765.16
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	9.81	2.28	(1.61)	-	9.14
Expenses Allowable in Instalments in Income Tax	24.75	-	24.12	-	0.63
Provision for Contingencies Allowable on Payment Basis	12.38	0.10	6.54	-	5.74
Unabsorbed Depreciation	-	-	(62.25)	-	62.25
MAT Credit Entitlement	520.37	26.77	153.82	-	339.78
Fair Valuation of Preference Shares measured at FVTPL	3.85	-	(1.14)	-	4.99
	571.16	29.15	119.48	-	422.53
Deferred Tax Liabilities (Net)	494.11	104.26	36.92	10.30	342.63

2.20 OTHER NON-CURRENT LIABILITIES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Other Creditors	**22.21**	20.05	18.70
Deferred Revenue from Government Grant (Note 4.7.2)	**4.97**	-	-
Other Liabilities	**2.31**	1.40	1.13
	29.49	21.45	19.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.21 CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans Repayable on Demand from Banks			
Secured:			
Working Capital Borrowings (Note 2.21.1)			
Rupee Loans	60.81	366.02	5.03
Unsecured:			
Working Capital Borrowings			
Foreign Currency Loans	-	165.83	68.85
Documentary Demand Bills/Usance Bills under Letter of Credit discounted	-	-	0.32
Other Loans			
Unsecured:			
Commercial Papers*	-	450.00	-
	60.81	981.85	74.20
* Maximum balance outstanding during the year	-	1,245.00	-

2.21.1 Working Capital Borrowings are secured by hypothecation of stocks and book debts of the Company.

2.22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Due to Micro and Small Enterprises (Note 4.7.1)#	**2.05**	4.59	0.91
Due to Related Parties (Note 4.5.4)	**175.62**	102.59	117.80
Others	**948.26**	486.04	365.69
	1,125.93	593.22	484.40

#This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.23 CURRENT - OTHER FINANCIAL LIABILITIES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current Maturities of Long-Term Debts (Note 2.16.1)	**257.00**	224.17	184.22
Interest Accrued but not Due on Borrowings	**5.23**	7.29	9.13
Unclaimed Dividends (Amount Transferable to Investor Education and Protection Fund, when due)	**16.37**	10.03	10.37
Security and Other Deposits (Trade Deposits)	**23.22**	21.13	17.34
Liability for Capital Goods	**12.87**	8.08	36.60
Derivative Liability	**11.15**	13.55	1.85
Other Payables (including Retention money, Liquidated damages, etc.)	**38.34**	51.41	68.17
	364.18	335.66	327.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.24 OTHER CURRENT LIABILITIES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory Liabilities	**69.87**	83.12	68.92
Advance from Customers	**55.67**	33.24	27.73
Accrued Expenses Brokerage and Discount	**174.98**	126.75	90.85
Deferred Revenue from Government Grant (Note 4.7.2)	**0.70**	-	-
Other Payables (including Employee Benefits Payable, Provision for Renewable purchase obligation, etc.)	**284.78**	196.99	112.77
	586.00	440.10	300.27

2.25 CURRENT PROVISIONS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
For Employee Benefits (Leave Encashment and Pension)	**13.38**	14.01	10.62
For Assets Transfer Cost	**71.68**	83.95	-
	85.06	97.96	10.62

2.25.1 Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset"

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016
Provision for Cost of Transfer of Assets:		
Opening Balance	**83.95**	-
Add: Provision during the year	**-**	83.95
Less: Utilisation during the year	**12.27**	-
Closing Balance	**71.68**	83.95

During previous year, provision for asset transfer cost related to amalgamation of ABCIL has been made based on substantial degree of estimation. Outflow against the same is expected at the time of regulatory process of registration of assets owned by ABCIL in the name of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3.1 SALE OF PRODUCTS AND SERVICES (GROSS) (NOTE 4.4.1)

₹ in Crore

	Current Year	Previous Year
Sale of Products	11,111.06	9,659.12
Sale of Services	-	1.90
	11,111.06	9,661.02

3.2 OTHER OPERATING REVENUES

₹ in Crore

	Current Year	Previous Year
Export Incentives	41.22	38.05
Power Sales	19.29	20.39
Sundry Balances Written Back (Net)	2.43	2.23
Rent Income	3.04	2.92
Scrap Sales (Net)	33.48	30.70
Other Miscellaneous Income (Insurance Claim, Sales Tax Incentive, etc.)	42.43	23.09
	141.89	117.38
REVENUE FROM OPERATIONS (3.1 + 3.2)	11,252.95	9,778.40

3.3 OTHER INCOME

₹ in Crore

	Current Year	Previous Year
Interest Income on:		
Non-Current Investments - Debentures or Bonds (measured at FVTOCI)	12.74	11.94
Bank Accounts and Others	103.57	42.43
Deferred Sales Tax Loan (Carried at amortised cost) {Note 4.7.2}	0.41	-
Dividend Income from:		
Subsidiary, Joint Venture and Associate Companies (carried at cost)	174.65	159.06
Non- Current Investments - Others (measured at FVTOCI)	14.41	17.89
Investments - Mutual Funds' Units (measured at FVTPL)	12.74	2.04
Profit on Sale of:		
Investment (Net) - Mutual Funds' Units (measured at FVTPL)	21.57	26.70
Consumer Products Division (Slump sale)	-	7.72
Gain on Fair Valuation of:		
Preference Shares (measured at FVTPL)	-	4.95
Mutual Funds' Units (measured at FVTPL)	119.59	69.25
Exchange Rate Difference (Net)	-	9.84
Other Non-Operating Income	14.25	6.63
	473.93	358.45

3.4 COST OF MATERIALS CONSUMED

₹ in Crore

	Current Year	Previous Year
Opening Stock	964.28	848.29
Add : Stock transferred from ABCIL pursuant to Scheme of Amalgamation	-	99.88
Add : Acquisition of Ganjam Unit of Jayshree Chemicals Ltd.	-	1.20
Add : Purchases and Incidental Expenses	4,885.90	4,406.56
Less : Sales	4.29	1.98
Less : Closing Stock	1,165.62	964.28
	4,680.27	4,389.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3.5 PURCHASES OF STOCK-IN-TRADE

₹ in Crore

	Current Year	Previous Year
Chemicals	**59.68**	40.58
	59.68	40.58

3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crore

	Current Year	Previous Year
Opening Stock		
Finished Goods	**381.45**	356.39
Stock-in-Trade	**5.61**	-
By-Products	**16.54**	16.62
Work-in-Progress	**33.48**	25.57
Waste/Scrap	**4.86**	4.99
Add: Stock transferred from ABCIL pursuant to scheme of Amalgamation	-	30.28
Add: Acquisition of Ganjam Unit of Jayshree Chemicals Ltd.	-	1.25
	441.94	435.10
Less : Closing Stock		
Finished Goods	**306.51**	381.45
Stock-in-Trade	**0.53**	5.61
By-Products	**2.78**	16.54
Work-in-progress	**32.40**	33.48
Waste/Scrap	**4.25**	4.86
	346.47	441.94
(Increase)/Decrease in Stocks	**95.47**	(6.84)

3.7 EMPLOYEE BENEFITS EXPENSES

₹ in Crore

	Current Year	Previous Year
Salaries and Wages	**601.22**	543.52
Contribution to Provident and Other Funds (Note 4.6.2)	**36.40**	33.27
Staff Welfare Expenses	**35.05**	34.93
Expenses on Employee Stock Option Scheme (Note 4.8.4)	**5.33**	5.62
	678.00	617.34
3.7.1 Expenses on Employee Stock Option Scheme are net of recovery from a Subsidiary Company against options granted to the employees of the Subsidiary	**0.47**	0.21

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3.8 FINANCE COSTS

₹ in Crore

	Current Year	Previous Year
(Financial Liabilities measured at Amortised Cost)		
Interest Expenses #	**56.39**	141.42
Other Borrowing Costs	**0.40**	4.69
Interest on Deferred Sales Tax Loan (carried at amortised cost) {Note 4.7.2}	**0.41**	-
Exchange (Gain)/Loss on Foreign Currency Borrowing (Net)	**0.42**	1.66
	57.62	147.77
Less: Capitalised	-	0.37
	57.62	147.40
# Net of Interest Subsidy from Government	**35.77**	45.22

3.9 OTHER EXPENSES

₹ in Crore

		Current Year	Previous Year
3.9.1	**Manufacturing Expenses**		
	Consumption of Stores, Spare Parts and Components, and Incidental Expenses	**195.93**	185.84
	Consumption of Packing Materials	**112.80**	100.29
	Processing and Other Charges	**98.25**	33.61
	Repairs to Buildings	**29.53**	36.41
	Repairs to Machinery	**129.98**	91.89
	Repairs to Other Assets	**24.65**	20.86
3.9.2	**Administration, Selling and Distribution Expenses**		
	Advertisement	**25.15**	15.37
	Sales Promotion and Other Selling Expenses	**57.59**	43.20
	Loss Allowance (Net)	**5.79**	2.84
	Insurance	**15.50**	16.70
	Rent (including Lease Rent) (Note 4.7.3)	**15.61**	13.60
	Rates and Taxes	**15.85**	6.38
	Research Contribution and Expenses	**25.00**	23.23
	Donations (Note 3.13)	**14.47**	0.03
	Directors' Fees	**0.35**	0.53
	Directors' Commission	**12.16**	7.54
	Exchange Rate Difference (Net)	**24.51**	-
	Loss on Fair Valuation of Preference Shares (measured at FVTPL)	**2.84**	-
	Loss on Sale of Property, Plant and Equipments (Net)	**1.87**	3.26
	Assets Transfer Cost of erstwhile ABCIL (Note 2.25.1)	-	83.95
	Miscellaneous Expenses	**199.05**	202.23
		1,006.88	887.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

		Current Year	Previous Year
3.9.3	**Auditors' Remuneration (excluding Service Tax) Charged to the Statement of Profit and Loss (included under Miscellaneous Expenses)**		
	Payments to Statutory Auditors:		
	Audit Fee	**0.97**	0.79
	Tax Audit Fee	**0.11**	0.10
	Limited Review Fee	**0.55**	0.46
	Fees for Other Services	**0.09**	0.22
	Reimbursement of Expenses	**0.07**	0.03
	Payments to Cost Auditors:		
	Audit Fee	**0.08**	0.02
	Fees for Other Services # ₹ 12,874 (Previous Year ₹ 16,500)	**#**	#
	Reimbursement of Expenses (@ ₹ 4903)	**@**	0.01

3.10 RECONCILIATION OF EFFECTIVE TAX RATE

₹ in Crore

	Current Year	Previous Year
Applicable Tax Rate	**34.61%**	34.61%
Income not considered for tax purpose	**-5.68%**	-8.32%
Expenses not allowed for tax purpose	**0.45%**	2.86%
Additional Allowances for tax purpose	**-2.07%**	-5.12%
Claims made for tax purpose on amalgamation	**-**	-2.56%
Tax paid at lower rate	**-0.04%**	-0.05%
Exceptional Item not considered for tax purpose	**-**	0.82%
Provision for Tax of earlier years written back	**-0.36%**	-0.64%
Others	**-0.32%**	-0.54%
Effective Tax Rate	**26.59%**	21.06%

3.11 OTHER COMPREHENSIVE INCOME

₹ in Crore

	Current Year	Previous Year
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	**1,040.18**	98.28
Re-measurement of Defined Benefit Plan	**(13.17)**	3.85
Income Tax relating to items that will not be reclassified to profit and loss	**(20.58)**	(11.32)
Items that will be reclassified to Profit and Loss		
Debt Instruments through Other Comprehensive Income	**6.63**	1.31
Income Tax relating to items that will be reclassified to profit and loss	**(1.53)**	(0.30)
	1,011.53	91.82

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

		Current Year	Previous Year
3.12	**Revenue Expenditure on Research and Development included in different heads of expenses in the Statement of Profit and Loss**	**42.07**	38.00

3.13 During current year, Donations include contribution of ₹ 13.00 Crore (Previous year ₹ Nil Crore) to Satya Electoral Trust. The Trust uses such funds for contribution for Political purposes.

During the previous year, the Company has received refund of ₹ 0.21 Crore from General Electoral Trust, being undistributed balance related to earlier years.

3.14 EARNINGS PER EQUITY SHARE (EPS):

₹ in Crore

	Current Year	Previous Year
Net Profit for the Year Attributable to Equity Shareholders (₹ in Crore)	**1,560.00**	970.64
Basic EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2 each	**466,800,754**	466,700,229
Basic EPS (₹) {for Face Value of Shares of ₹ 2 each}	**33.42**	20.80
Diluted EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	**466,800,754**	466,700,229
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)	**534,979**	426,338
Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)	**467,335,733**	467,126,567
Diluted EPS (₹) {for Face Value of Shares of ₹ 2 each}	**33.38**	20.78

Adjusted for sub-division of face value of shares from ₹ 10 each to ₹ 2 each in the financial year 2016-17. Basic EPS and Diluted EPS for previous year has been recasted in accordance with the increase in number of outstanding shares on account of the sub-division of shares as stated above.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

Claims/Disputed Liabilities not acknowledged as Debts:

₹ in Crore

S. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a)	Customs Duty, The Customs Act, 1962	Demand of duty on import of Steam Coal during April 2012 to January 2013 classifying it as Bituminous Coal	**8.81**	9.77	9.29
		Demand of duty on import of Caustic Soda Flakes under project import category	**1.18**	1.18	1.18
		Others	-	-	0.55
(b)	Excise Duty, The Central Excise Act, 1944, CENVAT Credit Rules, 2002	Department appeal against CESTAT order in favour of the Company quashing excise duty demand @ 10% on transfer of electricity to other Units	**68.11**	-	58.91
		Appeal before CESTAT against excise duty demand on freight recovery from customers	**18.48**	17.69	-
		Appeal before CESTAT against excise duty demand on supplies from job workers disputing valuation	**9.22**	8.74	-
		Appeal before CESTAT against excise duty demand @ 10% on steam transferred to other Units	**4.96**	-	-
		Appeal before CESTAT against excise duty demand on clearance of waste and scrap of capital goods	**5.18**	4.02	-
		Department appeal against CESTAT order in favour of the Company in the matter of demand of excise duty disputing valuation of Caustic Soda Lye supplied to other Units	**1.55**	1.47	1.37
		Show-cause notice for non-payment of duty on capital subsidy received from State Government against incremental production as per industrial policy	**1.37**	-	-
		Denial of transfer of CENVAT credit balance on merger of two excise registrations	-	24.52	21.97
		Various cases demanding excise duty on removal of capital goods, including value of packing material in assessable value, disallowance of CENVATcredit on packing material used for exempted goods and plates/flats,etc.	**3.61**	2.92	3.37

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

S. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(c)	Service Tax - The Finance Act, 1994	Demand for making payment of service tax on goods transportation agency services using CENVAT credit instead of paying through bank	**6.04**	5.70	-
		Various cases demanding Service Tax on banking and financial services availed, CENVAT credit availed on goods and transportation agency services based on transporters' invoice, CENVAT credit claimed on insurance services, transportation of liquid chlorine trough pipeline, CENVAT credit of services used for renovation and repairs,etc.	**2.14**	1.40	0.62
(d)	Entry Tax	Department appeal before the Karnataka High Court in the matter of levy of Special Tax on Entry of Goods	**7.16**	-	-
		Special Leave Petition before the Supreme Court against demand of entry tax in the State of Uttar Pradesh	**3.42**	-	-
(e)	Other Statutes	Fuel surcharge demand raised by Bihar State Electricity Board for the period April 1996 to March 2001	**59.77**	64.25	-
		Various claims in respect of disputed liabilities of the discontinued business in the earlier years	-	26.58	191.14
		Demand by Gujarat Industrial Development Corporation towards contribution payment to Infrastructure Fund Contribution and charges for time limit extension for the use of industrial plot	**13.61**	10.12	10.15
		Lease rent demand by Kandla Port Trust	**10.54**	3.82	-
		Claims by various suppliers and contractors	**9.26**	9.51	9.66
		Labour re-instatement, back wages, workmen compensation and salary structure cases	**4.93**	5.36	4.13
		Higher price demanded by State Government for land acquired by the Company through State Government	**3.54**	3.42	3.30
		Demand raised by Karnataka Water Board substantially increasing the water charges rates w.e.f. July 2011	**2.53**	2.33	-
		Various claims by Railways, Electricity Board for lower electricity consumption, Income Tax demands, renewable energy obligation, VAT demands	**3.77**	12.11	6.02
		Total	**249.18**	**214.91**	**321.66**

Cash outflows for the above are determinable only on receipt of judgments pending with various authorities/ courts/Tribunals

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

S. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
4.2		**OTHER MONEY FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE:**			
(a)		Custom Duty Liability (Net of Cenvat credit), which may arise if obligation for exports is not fulfilled against import of raw materials and machinery	**1.55**	0.81	12.41
(b)		Letter of Undertaking-cum-Indemnity given to Banks for finance provided to a Subsidiary, Aditya Birla Chemical (Belgium) BVBA	-	3.77	-
		- Amount Outstanding against above	-	2.14	-
4.3		**CAPITAL COMMITMENTS**			
		Estimated amount of contracts remaining to be executed on capital account and not provided {Net of Advances paid of ₹ 54.76 Crore (Previous Year ₹ 57.88 Crore)}	**154.49**	129.83	154.87

4.4 OPERATING SEGMENTS

4.4.1 Details of products included in each of the segments are as under:

Fibre and Pulp - Viscose Staple Fibre and Rayon Grade Pulp

Chemicals - Caustic Soda, Epoxy and Allied Chemicals

Others - Mainly Textiles

Information about Operating Segments for Current Year:

₹ in Crore

	Fibre and Pulp	Chemicals	Others	Eliminations	Total
REVENUE					
Gross Sales (External)	7,629.32	3,403.80	77.94	-	11,111.06
Gross Sales (Inter-segment)	7.85	704.57	-	(712.42)	-
Total Gross Sales (Note 3.1)	**7,637.17**	**4,108.37**	**77.94**	**(712.42)**	**11,111.06**
Other Income (including Other Operating Revenues)	105.26	77.74	1.50	(12.81)	171.69
Unallocated Corporate Other Income	-	-	-	-	444.13
Total Other Income	**105.26**	**77.74**	**1.50**	**(12.81)**	**615.82**
Total Revenue	**7,742.43**	**4,186.11**	**79.44**	**(725.23)**	**11,726.88**
RESULTS					
Segment Results (PBIT)	**1,206.10**	**641.50**	**5.28**	-	**1,852.88**
Unallocated Corporate Income/ (Expenses)					329.68
Finance Costs					(57.62)
Profit Before Tax					**2,124.94**
Current Tax					(528.69)
Deferred Tax					(36.25)
Profit After Tax					**1,560.00**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

	Fibre and Pulp	Chemicals	Others	Eliminations	Total
OTHER INFORMATION					
Segment Assets	**5,960.08**	**4,418.04**	**48.18**	-	**10,426.30**
Unallocated Corporate Assets					9,424.80
Total Assets					**19,851.10**
Segment Liabilities	**1,886.22**	**680.21**	**13.19**	-	**2,579.62**
Unallocated Corporate Liabilities					1,040.50
Total Liabilities					**3,620.12**
Additions to Non-Current Assets	**204.64**	**228.52**	**1.07**	-	**434.23**
Unallocated Corporate Capital Expenditure					3.02
Total Addition to Non-Current Assets					**437.25**
Depreciation and Amortisation	**232.99**	**200.41**	**0.71**	-	**434.11**
Unallocated Corporate Depreciation and Amortisation					12.03
Total Depreciation and Amortisation					**446.14**
Significant Non-Cash Expenses other than Depreciation and Amortisation					**24.64**

Information about Operating Segments for Previous Year:

₹ in Crore

	Fibre and Pulp	Chemicals	Others	Eliminations	Total
REVENUE					
Gross Sales (External)	6,460.26	3,106.70	94.06	-	9,661.02
Gross Sales (Inter-segment)	8.21	607.27	-	(615.48)	-
Total Gross Sales (Note 3.1)	**6,468.47**	**3,713.97**	**94.06**	**(615.48)**	**9,661.02**
Other Income (including Other Operating Revenues)	99.61	58.80	2.01	(7.07)	153.35
Unallocated Corporate Other Income	-	-	-	-	322.48
Total Other Income	**99.61**	**58.80**	**2.01**	**(7.07)**	**475.83**
Total Revenue	**6,568.08**	**3,772.77**	**96.07**	**(622.55)**	**10,136.85**
RESULTS					
Segment Results (PBIT)	**693.88**	**462.07**	**6.76**	-	**1,162.71**
Unallocated Corporate Income/ (Expenses)					243.53
Finance Costs					(147.40)
Profit Before Exceptional Item and Tax					**1,258.84**
Exceptional Item					(29.19)
Profit Before Tax					**1,229.65**
Current Tax					(222.09)
Deferred Tax					(36.92)
Profit After Tax					**970.64**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

	Fibre and Pulp	Chemicals	Others	Eliminations	Total
OTHER INFORMATION					
Segment Assets	**5,821.45**	**4,284.71**	**51.29**	-	**10,157.45**
Unallocated Corporate Assets					7,638.92
Total Assets					**17,796.37**
Segment Liabilities	**1,771.38**	**1,299.06**	**12.76**	-	**3,083.20**
Unallocated Corporate Liabilities					841.32
Total Liabilities					**3,924.52**
Additions to Non-Current Assets	**183.26**	**396.98**	**1.90**	-	**582.14**
Unallocated Corporate Capital Expenditure					34.75
Total Addition to Non-Current Assets					**616.89**
Depreciation and Amortisation	**229.25**	**201.35**	**0.69**	-	**431.29**
Unallocated Corporate Depreciation and Amortisation					13.60
Total Depreciation and Amortisation					**444.89**
Significant Non-Cash Expenses other than Depreciation and Amortisation					**37.65**

Information about Business Segments as at 1st April 2015:

₹ in Crore

	Fibre and Pulp	Chemicals	Others	Eliminations	Total
Segment Assets	**5,980.83**	**2,150.05**	**45.91**	-	**8,176.79**
Unallocated Corporate Assets					7,068.63
Total Assets					**15,245.42**
Segment Liabilities	**1,814.50**	**234.11**	**14.65**	-	**2,063.26**
Unallocated Corporate Liabilities					660.10
Total Liabilities					**2,723.36**

4.4.2 Geographical Segments

The Company's operating facilities are located in India.

	Current Year	Previous Year
Segment Revenue (Gross Sales)		
India	**8,500.35**	7,373.97
Rest of the World	**2,610.71**	2,287.05
Total	**11,111.06**	9,661.02
Addition to Non-Current Assets		
India	**434.23**	582.14
Rest of the World	-	-
Total	**434.23**	582.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.4.3 The carrying amount of non-current operating assets by location of assets:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non- Current Assets			
India	**7,319.93**	7,341.26	5,714.53
Rest of the World	-	-	-
Total	**7,319.93**	7,341.26	5,714.53

4.5 RELATED PARTY DISCLOSURE

4.5.1 Parties where control exists:

Parties	
Samruddhi Swastik Trading and Investments Limited	Wholly Owned Subsidiary
Grasim Bhiwani Textiles Limited	Wholly Owned Subsidiary
Sun God Trading and Investments Limited	Wholly Owned Subsidiary
Aditya Birla Chemicals (Belgium) BVBA	Wholly Owned Subsidiary
UltraTech Cement Limited	Subsidiary
UltraTech Cement Lanka Private Limited, Sri Lanka	Subsidiary's Subsidiary
Dakshin Cements Limited	Subsidiary's Subsidiary
Harish Cement Limited	Subsidiary's Subsidiary
UltraTech Cement Middle East Investments Limited, Dubai, UAE	Subsidiary's Subsidiary
Star Cement Co. LLC, Dubai, UAE	Subsidiary's Subsidiary
Star Cement Co. LLC, RAK, UAE	Subsidiary's Subsidiary
Al Nakhla Crusher LLC, Fujairah, UAE	Subsidiary's Subsidiary
Arabian Cement Industry LLC, Abu Dhabi, UAE	Subsidiary's Subsidiary
Arabian Gulf Cement Co. WLL, Bahrain	Subsidiary's Subsidiary
Emirates Power Company Limited, Bangladesh	Subsidiary's Subsidiary
Emirates Cement Bangladesh Limited, Bangladesh	Subsidiary's Subsidiary
UltraTech Cement SA (PTY), South Africa	Subsidiary's Subsidiary
PT UltraTech Mining Indonesia, Indonesia	Subsidiary's Subsidiary
UltraTech Cement Mozambique Limitada, Mozambique	Subsidiary's Subsidiary
PT UltraTech Investments Indonesia, Indonesia	Subsidiary's Subsidiary
PT UltraTech Cement, Indonesia	Subsidiary's Subsidiary
Gotan Lime Stone Khanij Udyog Private Limited	Subsidiary's Subsidiary
Awam Minerals LLC, Oman (w.e.f. 25th April, 2014)	Subsidiary's Subsidiary
PT UltraTech Mining Sumatera (w.e.f. 14th October, 2014)	Subsidiary's Subsidiary
Bhagwati Lime Stone Company Private Limited	Subsidiary's Subsidiary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.5.2 Other Related Parties with whom transactions have taken place during the year and/or previous year:

Parties	Relationship
AV Group NB Inc., Canada	Joint Venture
Birla Jingwei Fibres Company Limited, China	Joint Venture
Birla Lao Pulp & Plantations Company Limited, Laos	Joint Venture
AV Terrace Bay Inc., Canada	Joint Venture
Aditya Group AB, Sweden	Joint Venture
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey	Joint Venture
Aditya Birla Science & Technology Company Private Limited	Associate
Idea Cellular Limited	Associate
Shri Kumar Mangalam Birla - Non-Executive Director	Key Management Personnel (KMP)
Mrs. Rajashree Birla - Non-Executive Director	Key Management Personnel (KMP)
Shri Dilip Gaur (w.e.f. 1st April, 2016) - Managing Director	Key Management Personnel (KMP)
Shri B.V. Bhargava - Non-Executive Director	Key Management Personnel (KMP)
Shri R.C. Bhargava (upto 1st October, 2016) - Non-Executive Director	Key Management Personnel (KMP)
Shri K.K. Maheshwari (upto 27th December, 2016) - Non-Executive Director	Key Management Personnel (KMP)
Shri M.L. Apte - Non-Executive Director	Key Management Personnel (KMP)
Shri Cyril Shroff - Non-Executive Director	Key Management Personnel (KMP)
Shri Thomas Martin - Non-Executive Director	Key Management Personnel (KMP)
Shri Shailendra K Jain - Non-Executive Director	Key Management Personnel (KMP)
Shri N. Mahan Raj - Non - Executive Director	Key Management Personnel (KMP)
Shri O.P. Rungta- Non - Executive Director	Key Management Personnel (KMP)
Shri Arun Thiagrajan - Non - Executive Director	Key Management Personnel (KMP)
Shri K.K. Maheshwari, Managing Director (upto 31st March, 2016)	Key Management Personnel (KMP)
Shri Adesh Gupta, Whole-time Director & CFO (up to 30th June, 2015)	Key Management Personnel (KMP)
Shri Sushil Agarwal, Whole-time Director & CFO (w.e.f. 1st July, 2015)	Key Management Personnel (KMP)
Smt. Usha Gupta (upto 30th June, 2015)	Relative of KMP (Wife of Shri Adesh Gupta)
Grasim Industries Limited Employees Provident Fund	Post-Employment Benefit Plan
Grasim (Senior Executives' and Officers) Superannuation Scheme	Post-Employment Benefit Plan
Grasim Industries Limited Employees Gratuity Fund	Post-Employment Benefit Plan

4.5.3 Other Related Parties in which Directors are interested:

Shailendra Jain & Co.
Prafulla Brothers
Birla Group Holding Private Limited
Shri Suvrat Jain
Shri Devarat Jain
Shardul Amarchand Mangaldas & Co.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.5.4 Disclosure of Related Party Transactions:

₹ in Crore

Nature of Transactions	Current Year	Previous Year
Sale of Products and Services:		
Grasim Bhiwani Textiles Limited	**29.21**	33.44
UltraTech Cement Limited	**0.03**	0.07
Birla Jingwei Fibres Company Limited	**166.40**	42.86
Aditya Birla Chemicals (Belgium) BVBA	**2.50**	1.30
Total	**198.14**	77.67
Interest and Other Operating Income:		
Grasim Bhiwani Textiles Limited	**2.19**	3.05
UltraTech Cement Limited	**2.34**	3.03
AV Cell, Inc.	**-**	2.04
AV Group NB Inc.	**1.98**	
Aditya Birla Science & Technology Company Private Limited	**0.93**	1.10
Idea Cellular Limited	**9.44**	2.85
Others	**0.67**	0.06
Total	**17.55**	12.13
Dividend Received:		
UltraTech Cement Limited	**157.07**	148.80
Idea Cellular Limited	**10.26**	10.26
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	**7.32**	-
Total	**174.65**	159.06
Recovery against remuneration paid to Whole-time Director of Grasim Bhiwani Textile Limited (Wholly Owned Subsidiary)	**-**	0.30
Purchases of Goods/Payment of Other Services (Net of Cenvat Credit, if available)		
Grasim Bhiwani Textiles Limited	**0.53**	0.14
UltraTech Cement Limited	**3.07**	2.95
AV Cell, Inc.	**-**	291.88
AV Nackawic, Inc.	**-**	341.34
AV Group NB Inc.	**725.07**	-
Aditya Group AB	**504.14**	447.94
Aditya Birla Science & Technology Company Private Limited	**24.94**	26.61
Idea Cellular Limited	**1.82**	1.66
Others	**0.27**	0.82
Total	**1259.84**	1113.34
Managerial Remuneration Paid		
Shri K.K. Maheshwari, Managing Director	**-**	12.65
Shri Dilip Gaur, Managing Director	**4.23**	-
Shri Adesh Gupta, Whole-time Director & CFO *	**-**	5.01
Shri Sushil Agarwal, Whole-time Director & CFO	**5.46**	2.03
Total	**9.69**	19.69

* Includes ₹ 1.32 Crore paid by Gratuity Trust of the Company during previous year.

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

Nature of Transactions	Current Year	Previous Year
Sitting fees to KMPs	**0.35**	0.36
Commission to KMPs	**12.00**	7.50
Dividend to KMPs	**0.21**	0.26
Loans Provided:		
Samruddhi Swastik Trading and Investments Limited	-	2.38
Aditya Birla Chemcials (Belgium) AVBA	-	0.10
Grasim Bhiwani Textiles Limited	**18.30**	74.50
Total	**18.30**	76.98
Repayments against Loans Provided:		
Grasim Bhiwani Textiles Limited	**15.62**	83.04
Aditya Birla Science & Technology Company Private Limited	**0.47**	-
Samruddhi Swastik Trading and Investments Limited	-	2.38
Total	**16.09**	85.42
Purchase of Mutual Funds and Bonds:		
Samruddhi Swastik Trading and Investments Limited	**16.00**	-
Total	**16.00**	-
Investments in Equity Shares:		
Birla Lao Pulp & Plantation Company Limited	**0.53**	3.94
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	**(56.20)**	-
Total	**(55.67)**	3.94
Purchases/Sales of Property, Plant and Equipment/Intangible Assets:		
UltraTech Cement Limited	**4.35**	3.26
Grasim Bhiwani Textiles Limited	**0.68**	-
Sun God Trading and Investments Limited	-	0.07
Total	**5.03**	3.33
Contribution to Post Retirement Funds:		
Grasim Industries Limited Employees' Provident Fund	**6.83**	4.99
Grasim (Senior Executive & Officers) Superannuation Scheme	**6.96**	6.46
Grasim Industries Limited Employees Gratuity Fund	**10.52**	7.56
Total	**24.31**	19.01
Receipts from Post-Retirement Fund:		
Grasim Industries Limited Employees Gratuity Fund	**1.45**	18.06
Compensation of Key Management Personnel of the Company:*		
Short-term Employee Benefits	**6.60**	11.82
Post-Retirement Benefits	**0.61**	2.69
Share-Based Payments	**2.48**	4.54
Other Long-term Benefits	-	0.64
Total	**9.69**	19.69

* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information, except to the extent of amount paid to Shri Adesh Gupta in the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

Outstanding Balances (Unsecured):	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade Payables:			
Grasim Bhiwani Textiles Limited	-	-	0.05
UltraTech Cement Limited	0.30	0.05	0.02
AV Cell, Inc.	-	23.15	34.67
AV Nackawic, Inc.	-	35.57	41.80
AV Group NB Inc.	131.82	-	-
Aditya Group AB	43.50	43.82	31.04
Aditya Birla Science & Technology Company Private Limited	-	-	10.22
Total	175.62	102.59	117.80
Other Current Liabilities:			
Grasim Bhiwani Textiles Limited	-	-	0.46
UltraTech Cement Limited	0.06	0.08	0.23
Aditya Birla Science & Technology Company Private Limited	-	-	0.25
Total	0.06	0.08	0.94
Trade Receivables:			
UltraTech Cement Limited	0.04	0.14	0.07
Grasim Bhiwani Textiles Limited	6.21	5.56	4.71
Aditya Birla Chemicals (Belgium) AVBA	2.92	1.13	-
Birla Jingwei Fibres Company Limited	39.07	13.92	9.57
Idea Cellular Limited	1.40	2.32	-
Total	49.64	23.07	14.35
Non-Current Financial Assets - Loans:			
Grasim Bhiwani Textiles Limited	10.05	6.07	9.11
AV Cell, Inc.	-	34.58	33.10
AV Group NB Inc.	32.80	-	
Aditya Birla Chemicals (Belgium) BVBA	0.10		
Aditya Birla Science & Technology Company Private Limited	10.43	1.40	11.83
Total	53.38	42.05	54.04
Current Financial Assets- Loans :			
Grasim Bhiwani Textiles Limited	6.24	7.54	13.04
Aditya Birla Science & Technology Company Private Limited	0.92	10.43	-
Aditya Birla Chemicals (Belgium) BVBA	-	0.10	-
Smt. Usha Gupta	-	-	1.50
Total	7.16	18.07	14.54
Other Current Assets:			
Grasim Bhiwani Textiles Limited	-	0.41	-
Total	-	0.41	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A letter of maintaining minimum shareholding and intention to provide financial support has been issued by the Company in respect of Aditya Birla Chemicals (Belgium) BVBA, a subsidiary of the Company.

In the previous year, a letter of Undertaking-cum-Indemnity was given to Banks for finance provided to Aditya Birla Chemicals (Belgium) BVBA of ₹ 3.77 Crore (amount outstanding against letter of undertaking-cum-indemnity ₹ 2.14 Crore)

The Board of Directors of Idea Cellular Limited (Idea), an Associate of the Company have approved the amalgamation of Vodafone India Limited (VIL) and it's wholly owned subsidiary Vodafone Mobile Services Limited with the Idea subject to requisite regulatory and other approvals.

As a promoter of Idea, the Company has undertaken to indemnify (liable jointly and severally with other promoters of Idea) upto a maximum of US$ 500 Million to the promoters of VIL and its wholly owned subsidiary VMSL, if Idea fails to meet some of its indemnity obligation under the implementation agreement for proposed amalgamation of VIL and VMSL with Idea.

Terms and Conditions of Transaction with Related Parties:
The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The above transactions are as per the approval of Audit Committee.

The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

4.6 RETIREMENT BENEFITS:

4.6.1 Defined Benefit Plans as per Actuarial Valuation:

Gratuity (funded by the Company):

The Company operates a Gratuity plan through a trust for its all employees. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of service, whichever is earlier, of an amount equivalent to 15 to 30 days' salary for each completed year of service as per rules framed in this regard. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. In case of majority of employees, the Company's scheme is more favourable as compared to the obligation under payment of Gratuity Act, 1972.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Ind AS-19 - 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

Inherent Risk:
The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, changes in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

Pension:
The Company provides pension to few retired employees as approved by the Board of Directors of the Company.

Inherent Risk:
The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in salary increases for serving employees/pension increase for pensioners or adverse demographic experience can result in an increase in cost of providing these benefits to employees in future. In this case the pension is paid directly by the company (instead of pension being bought out from an insurance company) during the lifetime of the pensioners/beneficiaries and hence the plan carries the longevity risks.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.6.1.1 Gratuity and Pension:

₹ in Crore

		Gratuity (Funded)		Pension	
		Current Year	Previous Year	Current Year	Previous Year
(i)	**Reconciliation of Present Value of the Obligation:**				
	Opening Defined Benefit Obligation	**218.76**	185.46	**8.46**	8.88
	Adjustments of:				
	Current Service Cost	**11.82**	12.23		-
	Interest Cost	**15.99**	15.45	**0.64**	0.66
	Actuarial Loss/(Gain)	**15.54**	(0.62)	**0.60**	0.14
	Liabilities assumed on Acquisition/(Settled on Divestiture)*	-	28.10	-	-
	Benefits Paid	**(23.09)**	(21.86)	**(1.24)**	(1.22)
	Closing Defined Benefit Obligation	**239.02**	218.76	**8.46**	8.46
(ii)	**Reconciliation of Fair Value of the Plan Assets:**				
	Opening Fair Value of the Plan Assets	**205.82**	185.46	-	-
	Adjustments of:			-	-
	Return on Plan Assets	**15.55**	13.82	-	-
	Actuarial Gain/(Loss)	**2.98**	3.37	-	-
	Contributions by the Employer	**28.99**	14.40	**1.24**	1.22
	Assets Acquired on Acquisition/(Distributed on Divestiture)*	-	10.63		-
	Benefits Paid	**(23.09)**	(21.86)	**(1.24)**	(1.22)
	Closing Fair Value of the Plan Assets	**230.25**	205.82	-	-
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**				
	Present Value of the Defined Benefit Obligation at the end of the period	**239.02**	218.76	**8.46**	8.46
	Fair Value of the Plan Assets	**230.25**	205.82	-	-
	Net Liabilities recognised in the Balance Sheet	**8.77**	12.94	**8.46**	8.46
(iv)	**Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:**				
	Current Service Cost	**11.82**	12.23		-
	Interest on Defined Benefit Obligations (Net)	**0.44**	1.63	**0.64**	0.66
	Net Cost	**12.26**	13.86	**0.64**	0.66
	Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments	-	1.14	-	-
	Net Charge to the Statement of Profit and Loss	**12.26**	15.00	**0.64**	0.66
(V)	**Amount recognised in Other Comprehensive Income (OCI) for the Year:**				
	Changes in Financial Assumptions	**15.67**	(1.23)	**0.44**	(0.08)
	Experience Adjustments	**(0.12)**	0.61	**0.16**	0.22
	Actual return on Plan Assets less Interest on Plan Assets	**(2.98)**	(3.37)	-	-
	Recognised in OCI for the year	**12.57**	(3.99)	**0.60**	0.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

	Gratuity (Funded)		Pension	
	Current Year	Previous Year	Current Year	Previous Year
(vi) Maturity profile of Defined Benefit Obligation:				
Within next 12 months (next annual reporting period)	**40.88**	40.63	**1.12**	1.12
Between 1 and 5 years	**84.74**	82.80	**4.15**	4.16
Between 5 and 9 years	**81.09**	81.03	**2.72**	3.01
10 years and above	**262.57**	251.00	**5.03**	5.73
(vii) Quantitative sensitivity analysis for significant assumptions:				
Increase/(decrease) on present value of defined benefit obligation at the end of the year				
50 bps increase in discount rate	**(8.58)**	(7.39)	**(0.21)**	(0.21)
50 bps decrease in discount rate	**9.18**	7.88	**0.22**	0.22
50 bps increase in salary escalation rate	**9.03**	7.83	**-**	-
50 bps decrease in salary escalation rate	**(8.51)**	(7.39)	**-**	-
100 bps increase in Pension rate	**-**	-	**0.45**	0.45
100 bps decrease in Pension rate	**-**	-	**(0.41)**	(0.42)
Increase in Life Expectancy by one year	**-**	-	**0.23**	0.22
Decrease in Life Expectancy by one year	**-**	-	**(0.24)**	(0.23)
(viii) The major categories of Plan Assets as a % of total plan:				
Government of India Securities	**4%**	5%	**N.A.**	N.A.
Corporate Bonds	**6%**	6%	**N.A.**	N.A.
Insurer Managed Fund	**84%**	81%	**N.A.**	N.A.
Others	**6%**	8%	**N.A.**	N.A.
Total	**100%**	100%	**N.A.**	N.A.
(ix) Principal Actuarial Assumptions:				
Discount Rate	**7.12%**	8.06%	**7.12%**	8.06%
Expected Return on Plan Assets	**7.12%**	8.06%	**-**	-
Salary Escalation rate	**8.00%**	8.00%	**-**	-
Mortality Tables	**Indian Assured Lives (2006-08) mortality tables**	Indian Assured Lives (2006-08) mortality tables	**PA (90) annuity rates adjusted suitably**	PA (90) annuity rates adjusted suitably
Retirement Age:				
Management	**60 Yrs.**	60 Yrs.	**-**	
Non-Management	**58 Yrs.**	58 Yrs.		
(x) Weighted Average Duration of Defined Benefit obligation:	**7.43 Yrs.**	6.98 Yrs.	**4.99 Yrs.**	4.99 Yrs.
(xi) Analysis of Defined Benefit Obligation (DBO):				
DBO in respect of non vested Employees	**15.96**	11.74	**-**	-
DBO in respect of vested Employees	**223.06**	207.02	**8.46**	8.46
	239.02	218.76	**8.46**	8.46

* Includes Liability of ₹ 27.52 Crore and Assets of ₹ 10.06 Crore on account of amalgamation of Aditya Birla Chemicals (India) Limited with the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 1st April 2015	
	Gratuity	Pension
(xii) Statement of Assets and Liabilities for Defined benefit Obligation:		
Present Value of the Defined Benefit Obligation at the end of the period	185.46	8.88
Fair Value of Plan Assets	185.46	-
Net Liabilities/(Assets) recognised in the Balance Sheet	-	8.88
Principal Actuarial Assumptions		
Discount Rate	7.89%	7.89%
Salary Escalation rate	8.00%	-
Mortality	Indian Assured (2006-08) mortality tables	PA (90) annuity rates down by 4 years

(xiii) There are no amounts included in the Fair Value of Plan Assets for:

a) Company's own financial instrument

b) Property occupied by or other assets used by the Company

(xiv) Basis used to determine Discount Rate:

Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date, applicable to the period over which the obligation is to be settled.

(xv) Asset Liability matching Strategy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

(xvi) Salary Escalation Rate:

The estimates of future salary increases are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

(xvii) Sensitivity Analysis:

Sensitivity Analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market condition at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(xviii) The best estimate of the expected Contribution for the next year amounts to ₹ 20 Crore (Previous Year ₹ 15 Crore).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.6.1.2 Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 18.80 Crore (Previous Year ₹ 2.01 Crore).

4.6.2 Defined Contribution Plans:

Contribution to the recognised provident fund are substantially defined contribution plan. The Company is liable for any shortfall in the fund assets based on the Government specified rate of return. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same.

Amount recognised as expense and included in the Note 3.7 as "Contribution to Provident and Other Funds" is ₹ 36.40 Crore (Previous Year ₹ 33.27 Crore).

The actuary has provided for a valuation and based on the below provided assumption there is no interest shortfall as at 31st March, 2017; 31st March, 2016 and 1st April, 2015.

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Plan Assets at Fair Value	**169.66**	155.74	128.61
(b) Liability recognised in Balance Sheet	**Nil**	Nil	Nil
(c) Assumption used in determining the present value obligation of interest rate guarantee under the Deterministic Approach			
- Discount Rate for the term of the Obligations	**7.12%**	8.06%	7.89%
- Discount Rate for the remaining term of maturity of Investment Portfolio	**7.20%**	7.82%	7.97%
- Average Historic Yield on Investment Portfolio	**8.96%**	8.92%	8.85%
- Guaranteed Interest Rate	**8.65%**	8.75%	8.75%

4.7 ADDITIONAL INFORMATION DETAILS

4.7.1 Details relating to Micro, Small and Medium Enterprises:

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	**2.05**	4.59	0.91
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

4.7.2 Government Grant (Ind AS 20)

The Company has received an interest-free loan of ₹ 13.15 Crore from a State Government, repayable in full after seven years. Using prevailing market interest rate of 8.9% p.a. for an equivalent loan, the fair value of loan at initial recognition is estimated at ₹ 7.07 Crore. The difference of ₹ 6.08 Crore between gross proceeds and fair value of loan is the government grant which will be recognised in the Statement of Profit and Loss over the period of loan. Accordingly, an amount of ₹ 0.41 Crore has been recognised as income in the current year and correspondingly equivalent amount has been accounted as an interest expense.

4.7.3 Assets given/taken on Operating lease as per Ind AS 17:

s.no.	Particulars	Current Year	Previous Year
1	Operating Lease Payments recognised in the Statement of Profit and Loss	**15.61**	13.60
2	The total of future minimum lease payments under non-cancellable operating leases are as follows:		
	For a period not later than one year	**3.48**	5.60
	For a period later than one year and not later than five years	**3.39**	6.52
	For a period later than five years	**0.23**	0.17
3	General Description of Leasing Agreements:		
	(i) Lease Assets: Godowns, Offices, Residential Flats and Others		
	(ii) Future Lease Rentals are determined on the basis of agreed terms		
	(iii) At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing		
	(iv) Lease Agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms		

The Company has given certain assets on lease for which rental income earned during the current year is ₹ 3.04 Crore (Previous year ₹ 2.92 Crore).

4.7.4 The Company has spent ₹ 18.06 Crore on Corporate Social Responsibility Projects/initiatives during the year including ₹ 1.64 Crore towards capital expenditure. (Previous Year ₹ 15.05 Crore including ₹ 1.17 Crore towards capital expenditure).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March 2017 is ₹ 15.80 Crore (31st March 2016 ₹ 15.82 Crore) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

4.7.5 Assets held for Disposal (Ind AS 105)

The Company has identified certain assets to be disposed off like Chimneys, Hot Gas filter, Heat exchanger, Waste Heat boilers, Pipelines, Sulphur furnace, etc. which are not in use by the Company. The Company is in the process of discussion with various potential buyers and expects the same to be disposed off within next twelve months.

4.7.6 Distribution made and proposed (Ind AS 1):

	Current Year	Previous Year
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31st March, 2016: ₹ 22.50 per share of face value of ₹ 10 each (31st March, 2015: ₹ 18.00 per share of face value of ₹ 10 each)	**210.05**	177.05
Dividend Distribution Tax on final dividend	**10.79**	5.75
Total cash outflow on account of Dividend and tax thereon	**220.84**	182.80
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31st March, 2017: ₹ 5.50 per share of face value of ₹ 2 each (31st March, 2016: ₹ 22.50 per share of face value of ₹ 10 each)	*** 256.76**	210.03
Dividend Distribution Tax on proposed dividend	*** 18.61**	10.78
Total proposed Dividend and tax thereon	*** 275.37**	220.81

* Amount of dividend distribution for the current year is subject to change on account of issue of equity shares by the Company to the shareholders of Aditya Birla Nuvo Limited (ABNL) in terms of the Scheme of Arrangement for amalgamation of ABNL with the Company (Note 4.16).

4.7.7 Capital Management (Ind AS 1)

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

₹ in Crore

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Total Debt (Bank and other borrowings)	**701.49**	1,839.35	1,144.96
Less: Liquid Investments (Bonds, Mutual Funds and Fixed Deposits with Corporates)	**2,517.90**	1,602.73	1,162.29
Net Debt	**(1816.41)**	236.62	(17.33)
Equity	**16,230.98**	13,871.85	12,522.06
Net Debt to Equity	**(0.11)**	0.02	-

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.7.8 Disclosure of Specified Bank Notes

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ in Crore

	Specified Bank Notes (₹ 1000 and ₹ 500)*	Other Denomination Notes	Total
Closing cash in hand as on 8th November, 2016	**0.33**	0.09	0.42
(+) Permitted receipts	**0.10**	0.99	1.09
(-) Permitted payments	**0.01**	0.85	0.86
(-) Amount deposited in Banks	**0.42**	0.06	0.48
Closing cash in hand as on 30th December, 2016	-	0.17	0.17

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

4.8 1,152,595 Equity Shares of Face Value of ₹ 2 each (Previous Year 241,426 shares of ₹ 10 each) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006) and Employee Stock Option Scheme, 2013 (ESOS-2013)

4.8.1 a. Under the ESOS-2006, the Company has granted 1,533,375 Options to its eligible employees, the details of which are given hereunder:

The number of options have been adjusted for the sub-division of face value of shares from ₹ 10 each to ₹ 2 each during the current financial year.

	Options				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
No. of Options Granted	1,007,650	83,050	356,485	30,185	56,005
Grant Date	23rd August, 2007	25th January, 2008	30th August, 2010	2nd June, 2011	18th October, 2013
Grant Price (₹ Per Share)	386	577	288	319	546
Revised Grant Price*	305	456	N.A.	N.A.	N.A.
Market Price on the Date of Grant (₹)	546	577	404	466	543
Fair Value on the Date of Grant of Option (₹ Per Share)	208	174	226	252	197
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Intrinsic value for options vested before 1st April 2015, and Fair value for options vested after 1st April 2015				
Graded Vesting Plan	25% every year, commencing after one year from the date of grant				
Vesting Condition	NA	NA	NA	NA	Achievement of threshold level of budgeted EBITDA
Normal Exercise Period	5 years from the date of vesting				

*The Grant Price in respect of Tranches I and II was revised in the Financial Year 2010-11 as per the Scheme of Demerger of Cement Business.

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b. Under the ESOS-2013, the Company has granted 1,044,245 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

The number of options and RSUs have been adjusted for the sub-division of face value of shares from ₹ 10 each to ₹ 2 each during the current financial year.

	Options					Restricted Stock Units					
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
No. of Options / RSU Granted	627,015	59,905	121,750	30,440	17,045	93,495	40,420	31,010	16,665	4,165	2,335
Grant Date	18th October, 2013	29th January, 2014	15th January, 2016	2nd April, 2016	24th May, 2016	18th October, 2013	21st November, 2013	29th January, 2014	15th January, 2016	2nd April, 2016	24th May, 2016
Grant Price (₹ Per Share)	543	519	700	771	842	2	2	2	2	2	2
Market Price on the Date of Grant (₹)	543	519	700	771	842	543	522	519	700	771	842
Fair value on the date of Grant of option (₹ per share)	199	191	274	291	315	520	498	495	687	750	821
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Intrinsic value for options vested before 1st April 2015, and Fair value for options vested after 1st April 2015					Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	25% every year, commencing after one year from the date of gran					100% on completion of three years from the date of grant					
Vesting Condition	Achievement of threshold level of budgeted EBITDA					NA	NA	NA	NA	NA	NA
Normal Exercise Period	5 years from the date of vesting					5 years from the date of vesting					

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4.8.2 Movement of Options and RSUs Granted along with Weighted Average Exercise Price (WAEP)

	Number of Options and RSUs			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	**241,426**	**2,205**	252,175	2,010
Adjustment for Sub-Division of Equity Shares (Note 2.14.8)	**965,704**	**-**	-	-
Outstanding at the beginning of the year (Post-split)	**1,207,130**	**441**	252,175	2,010
Granted during the year	**53,985**	**701**	27,683	3,080
Exercised during the year	**106,580**	**248**	32,264	1,628
Lapsed during the year	**1,940**	**2**	6,168	1,159
Outstanding at the end of the year	**1,152,595**	**472**	241,426	2,205
Options: Unvested at the end of the year	**339,550**	**583**	127,911	2,173
Exercisable at the end of the year	**813,045**	**425**	113,515	2,242

The weighted average share price at the date of exercise for options was ₹ 944 per share (31st March, 2016 ₹ 3500 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March, 2017 was 3.1 years (31st March,2016: 3.3 years).

4.8.3 Fair Valuation

The fair value of options used to compute proforma net income and earnings per equity share has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model.

The Key Assumptions in Black-Scholes Model for calculating fair value as on the date of grant are:

ESOS-2006	Options				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Risk-Free Rate	7.78%	7.78%	7.78%	8.09%	8.58%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period				
Expected Volatility *	33.00%	36.00%	45.64%	31.73%	24.01%
Dividend Yield	1.84%	1.80%	1.58%	0.61%	1.03%

The weighted-average fair value of the option, as on the date of grant, works out to ₹ 211 per stock option (Previous Year ₹ 211 per stock option).

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ESOS-2013	Options					Restricted Stock Units					
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Risk-Free Rate	8.58%	8.87%	7.87%	7.60%	7.49%	8.66%	8.90%	9.00%	7.96%	7.78%	7.75%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period					5.50	5.50	5.50	5.50	5.50	5.50
Expected Volatility *	24.01%	23.47%	28.26%	27.96%	27.43%	24.01%	23.76%	23.47%	28.52%	28.41%	28.01%
Dividend Yield	1.03%	1.10%	0.36%	0.52%	0.48%	1.34%	1.40%	1.43%	0.34%	0.51%	0.47%

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 215 per stock option and ₹ 539 per RSU. (Previous Year ₹ 1,049 per stock option and ₹ 2,646 per RSU).

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSUs upto the date of grant.

4.8.4 Employee Stock Option expenses recognised in the statement of Profit and Loss ₹ 5.33 Crore (Previous Year ₹ 5.62 Crore).

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4.9 FINANCIAL INSTRUMENTS-ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (IND AS 107)

A. Classification of Financial Assets and Liabilities:

₹ in Crore

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial Assets at Amortised Cost			
Trade Receivables	**1,189.55**	992.37	687.49
Loans	**192.35**	192.31	202.62
Investments (Current and Non-Current)	**3,657.69**	3,758.38	3,783.58
Cash and Bank Balances	**52.74**	35.01	53.19
Other Financial Assets	**43.01**	21.80	10.58
Financial Assets at fair value through Other Comprehensive Income			
Investments (Current and Non-Current)	**2,904.94**	1,844.98	1,766.17
Financial Assets at fair value through Profit and Loss			
Investments (Current and Non-Current)	**2,433.79**	1,496.26	1,038.99
Total	**10,474.07**	8,341.11	7,542.62
Financial Liabilities at Amortised Cost			
Borrowings (incl. Current Maturities of Long-term Debts)	**701.49**	1,839.35	1,114.96
Trade Payables	**1,125.93**	593.22	484.40
Other Financial Liabilities	**98.73**	99.88	142.76
Fair Value Hedging Instruments			
Derivative Liabilities	**11.15**	13.55	1.85
Total	**1,937.30**	2,546.00	1,743.97

B. Fair Value Measurements (Ind AS 113):

The fair values of the Financial Assets and Liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges, is valued using the closing price at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value.

Investments in Debentures or Bonds are valued on the basis of dealer's quotation based on fixed income and money market association (FIMMDA).

If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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₹ in Crore

Particulars	Fair Values		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial Assets at Fair Value through Other Comprehensive Income			
Investments in Debentures or Bonds (Level 2)	**170.48**	150.69	157.57
Investment in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates)			
- Level 1	**2,379.92**	1,428.04	1,354.32
- Level 3	**354.54**	266.25	254.28
Financial Assets at fair value through Profit and Loss			
Investments in Mutual Funds (Level 2)	**2,347.42**	1,407.04	959.72
Investments in Preference Shares (Level 3)	**86.37**	89.22	79.27
Total	**5,338.73**	**3,341.24**	**2,805.16**
Fair Value Hedging Instruments			
Derivative Liabilities (Level 2)	**11.15**	13.55	1.85
Total	**11.15**	**13.55**	**1.85**

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, commercial papers, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the reporting period ending 31st March, 2017 and 31st March, 2016, there was no transfer between level 1 and level 2 fair value measurement.

4.9.1 Key Inputs for Level 1 and 2 Fair valuation Technique :

1. Mutual Funds : Based on Net Asset Value of the Scheme (Level 2)
2. Debentures or Bonds: Based on Fixed Income and Money Market Association (FIMMDA) valuation (Level 2)
3. Listed Equity Investments (other than Subsidiaries, Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)

4.9.2 Description of Significant Unobservable Inputs used for Financial Instruments (Level 3)

The following table shows the valuation techniques used for financial instruments :

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investments in Preference Shares	Discounted cash flow method using risk adjusted discount rate		
Equity Investments - Unquoted (Other than Subsidiaries, Joint Ventures and Associates)	Discounted cash flow method using risk adjusted discount rate/Net worth of Investee Co.		
Other Financial Assets (Non-current)	Discounted cash flow method using risk adjusted discount rate		
Other Financial Liabilities (Non-current)	Discounted cash flow method using risk adjusted discount rate		
Long-Term Borrowings - Deferred Sales Tax Loans	Discounted cash flow method using risk adjusted discount rate		

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4.9.3 The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values :

	₹ in Crore
Investment in Preference Shares measured at FVTPL	79.27
Investments in Equity Investments measured at FVTOCI (Other than Subsidiaries, Joint Ventures and Associates)	254.28
Balances as at 1st April, 2015	**333.55**
Add: Preference Shares received on Amalgamation of Aditya Birla Chemicals (India) Ltd.	5.00
Add: Fair Value Gain recognised in the Statement of Profit and Loss	4.95
Add: Fair Value Gain recognised in OCI	11.97
Balances as at 31st March, 2016	**355.47**
Add: Fair value Loss recognised in the Statement of Profit and Loss	(2.84)
Add: Fair value gain recognised in OCI	88.28
Balances as at 31st March, 2017	**440.91**

4.9.4 Relationship of Unobservable Inputs to Level 3 fair values (Recurring):

A. Equity Investments - Unquoted (for Equity Shares where Discounted Cash Flow Method is used):

A 100 bps increase/decrease in the Weighted Average Cost of Capital (WACC) or discount rate used while all other variables were held constant, the carrying value of the shares would decrease by ₹ 7.50 Crore or increase by ₹ 11.00 Crore (as at 31st March, 2016: decrease by ₹ 3.50 Crore or increase by ₹ 5.50 Crore ; as at 1st April, 2015: decrease by ₹ 1.50 Crore or increase by ₹ 2.50 Crore).

B. Equity Investments - Unquoted (For Equity Shares where Net Worth is used):

A 500 bps increase/decrease in the profit or loss while all the other variables were held constant, the carrying value of the shares would increase/decrease by ₹ 0.01 Crore or (as at 31st March, 2016: increase/decrease by ₹ 0.01 Crore; as at 1st April, 2015: increase/decrease by ₹ 0.01 Crore).

C. Preference Shares:

A 100 bps increase/decrease in the discount rate used while all the other variables were held constant, the carrying value of the shares would decrease by ₹ 5.60 Crore or increase by ₹ 5.80 Crore (as at 31st March, 2016: decrease by ₹ 6.60 Crore or increase by ₹ 7.00 Crore; as at 1st April, 2015: decrease by ₹ 6.80 Crore or increase by ₹ 6.60 Crore).

4.10 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial

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instruments, such as foreign exchange forward contracts to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Company is exposed to and their management is given below:

Risk	Exposure Arising From	Measurement	Management
• Market Risk:			
- Foreign Exchange Risk	Committed commercial transactions, Financial Assets and Liabilities not denominated in INR	Cash Flow Forecasting, Sensitivity Analysis	Forward foreign exchange contracts
- Interest Rate Risk	Long-Term Borrowings at variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities	Sensitivity Analysis, Interest rate Movements	Interest Rate swaps Portfolio Diversification
- Equity Price Risk	Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost)	Financial Performance of the Investee Company	Investments are long- term in nature and in Companies with sound management with leadership positions in their respective businesses
• Credit Risk	Trade Receivables, Investments, Derivative Financial Instruments, Loans	Ageing Analysis, Credit Rating	Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria based approval process
• Liquidity Risks	Borrowings and Other Liabilities and Liquid investments	Rolling Cash Flow Forecasts, Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification

The Management updates the Audit Committee on a quarterly basis about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Company on periodical basis about various risk to the business and the status of various activities planned to mitigate such risks.

Details relating to the risks are provided here below:

A. Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to import of fuels, raw materials and spare parts, plant and equipments, exports of VSF and Chemicals, and the Company's net investments in foreign Subsidiaries and Joint Ventures.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies and standard operating procedures. It uses derivative instruments like forward covers to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the foreign currency exposure.

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₹ in Crore

Outstanding Foreign Currency Exposure as at	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade Receivables:			
USD	**3.13**	2.99	2.05
Euro	**0.66**	0.76	0.83
CNY (Chinese Yuan)	**6.19**	1.35	1.26
Trade Payables:			
USD	**6.43**	3.01	1.78
Euro	**0.03**	0.00	0.02
Borrowings:			
USD	**-**	2.5	1.1
Others – Loan:			
CAD (Canadian Dollar)	**0.71**	0.68	0.68
Investments			
USD	**5.41**	3.97	4.01
THB (Thai Bhat)	**65.75**	54.56	36.72
Peso (Philippines)	**2.30**	2.30	2.41

Foreign Currency Sensitivity on Unhedged Exposure – Trade/Operation:

1% increase in foreign exchange rates will have the following impact on profit before tax.

₹ in Crore

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
CNY – Receivable	**0.17**	0.04	0.04

Note: If the rate is decreased by 1%, the profit will decrease by an equal amount.

Foreign Currency Sensitivity on Unhedged Exposure – Investments:

1% increase in foreign exchange rates will have the following impact on OCI.

₹ in Crore

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investments*	**4.78**	3.69	3.25

Note: If the rate is decreased by 1%, the profit will reduce by an equal amount.

Forward Exchange Contracts:

a. Derivatives for Hedging Foreign Currency Outstanding are as under:

in Crore

Particulars	Purpose	Currency	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	Cross Currency
Forward Contracts	Imports	USD	**6.05**	5.13	4.10	Rupees
	Imports	AUD	**0.02**	0.02	0.00	Rupees
	Imports	JPY	**0.00**	0.00	2.60	USD
	Exports	Euro	**1.99**	1.72	1.88	USD
	Exports	CNH	**4.40**	1.00	0.82	USD
	Exports	USD	**0.10**	0.01	0.06	Rupees

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b. Cash Flow Hedges: The Company assesses hedge effectiveness based on the following criteria:

(i) an economic relationship between the hedged item and the hedging instrument;

(ii) the effect of credit risk; and

(iii) assessment of the hedge ratio

The Company designates the forward exchange contracts to hedge its currency risk and generally applies a hedge ratio of 1:1. The Company's policy is to match the tenor of the forward exchange contracts with the hedged item. During the current year, the Company has not designated any forward cover as cash flow hedge.

B. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's short-term borrowings (excluding commercial paper) with floating interest rates. For all long-term borrowings in foreign currency with floating interest rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

Interest Rate Exposure:

₹ in Crore

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Non-Interest Bearing Borrowings
Rupee Borrowings	701.49	643.74	39.37	18.38
Total as at 31st March, 2017	**701.49**	**643.74**	**39.37**	**18.38**
Rupee Borrowings	1,673.52	1,558.91	91.88	22.73
USD Borrowings	165.83	165.83	-	-
Total as at 31st March, 2016	**1,839.35**	**1,724.74**	**91.88**	**22.73**
Rupee Borrowings	1,046.11	860.74	145.43	39.94
USD Borrowings	68.85	68.85	-	-
Total as at 1st April, 2015	**1,114.96**	**929.59**	**145.43**	**39.94**

Interest rate sensitivities for floating rate borrowings (impact of increase in 1%):

₹ in Crore

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Rupee Borrowings	**(6.44)**	(15.59)	(8.61)
USD Borrowings	-	(1.66)	(0.69)

Note: If the rate is decreased by 1% profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowings have been done on the notional value of the foreign currency (excluding the revaluation).

C. Equity Price Risk:

The Company is exposed to equity price risk arising from Equity Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost).

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Equity Price Sensitivity Analysis:

The Sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices of the quoted investments increase/decrease by 5%, Other Comprehensive income for the year ended 31st March, 2017 would increase/decrease by ₹ 118.97 Crore (for the year ended 31st March, 2016 by ₹ 71.43 Crore).

D. Credit Risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

The carrying amount of financial assets represents the maximum credit risk exposure.

a. Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

Total Trade receivables as on 31st March, 2017 is ₹ 1,189.55 Crore (31st March, 2016: ₹ 992.37 Crore, 1st April, 2015: ₹ 687.49 Crore)

The Company does not have higher concentration of credit risks to a single customer. Single largest customers of all businesses have exposure of 5.6% of total sales (31st March, 2016 5.4%) and in receivables 10% (31st March, 2016: 9.6%, 1st April, 2015: 1.4%).

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

However, total write off against receivables are "nil" of the outstanding receivables for the current year (0.09% in the previous year).

Movement of Loss Allowance:

₹ in Crore

Particulars	Current Year	Previous Year
Opening Provision	**3.76**	1.50
Transferred on amalgamation of erstwhile ABCIL	-	0.29
Add: Provided during the year	**5.79**	2.84
Less: Utilised during the year	-	0.87
Closing Provision	**9.55**	3.76

b. Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

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Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investment in units of quoted Mutual Funds, quoted Bonds, Non-Convertible Debentures issued by Government/Semi-Government Agencies/PSU Bonds/High Investment grade Corporates etc. These Mutual Funds and Counterparties have low credit risk.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Total Non-current and current investments as on 31st March, 2017 is ₹ 8,996.42 Crore (31st March, 2016 ₹ 7,099.62 Crore; 1st April, 2015: ₹ 6,588.74 Crore).

Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

₹ in Crore

As at 31st March, 2017	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities:				
Borrowings (including Current Maturities of Long-Term Debts)	**317.81**	**376.20**	**7.48**	**701.49**
Trade Payables	**1,125.93**	-	-	**1,125.93**
Interest Accrued but not Due on Borrowings	**5.23**	-	-	**5.23**
Other Financial Liabilities (excluding Derivative Liability)	**90.80**	**2.70**	-	**93.50**
Derivative Liability	**11.15**	-	-	**11.15**
Liquid Financial Assets:				
Surplus Investments in Mutual Funds, Bonds, etc.	**1,571.86**	**880.61**	**65.43**	**2,517.90**

₹ in Crore

As at 31st March, 2016	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities:				
Borrowings (including Current Maturities of Long-Term Debts)	1,206.02	632.38	0.95	1,839.35
Trade Payables	593.22	-	-	593.22
Interest Accrued but not Due on Borrowings	7.29	-	-	7.29

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₹ in Crore

As at 31st March, 2016	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Other Financial Liabilities (excluding Derivative Liability)	90.65	1.94	-	92.59
Derivative Liability	13.55	-	-	13.55
Liquid Financial Assets:				
Surplus Investments in Mutual Funds, Bonds, etc.	1,156.04	385.31	61.38	1,602.73

₹ in Crore

As at 1st April, 2015	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities:				
Borrowings (including Current Maturities of Long-Term Debts)	258.42	856.54	-	1,114.96
Trade Payables	484.40	-	-	484.40
Interest Accrued but not Due on Borrowings	9.13	-	-	9.13
Other Financial Liabilities (excluding Derivative Liability)	132.48	1.15	-	133.63
Derivative Liability	1.85	-	-	1.85
Liquid Financial Assets:				
Surplus Investments in Mutual Funds, Bonds, etc.	952.58	149.32	60.39	1162.29

The Company's surplus funds exceeds total borrowings outstanding as on 31st March 2017. Hence, the liquidity risk is very low.

4.11 FIRST TIME ADOPTION OF IND AS (IND AS 101):

The Company has prepared financial statements for the year ended 31st March, 2017, in accordance with Ind AS for the first time. For the periods upto and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending 31st March, 2017, together with comparative information as at and for the year ended 31st March, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2015 i.e. the transition date to Ind AS for the Company. This note explains the principal adjustment made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2015, and the financial statements as at and for the year ended 31st March, 2016.

Exemptions availed:

- **Deemed Cost for Property, Plant and Equipment and Intangible Assets:**

  The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1st April, 2015 (the transition date), measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- **Share-Based Payments:**

  The Company has not applied Ind AS 102 to equity instruments that vested before the date of transition to Ind AS.

- **Investments in Subsidiaries, Joint Ventures and Associates:**

  The Company has elected to apply Previous GAAP carrying amount of its investments in Subsidiaries, Joint Ventures and Associates as deemed cost as on the date of transition to Ind AS.

- **Sales Tax Deferment Loan:**

  The Company has used its Previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet.

- **Past Business Combinations:**

  The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2015. Consequently,

  - the Company has kept the same classification for the past business combinations as in its Previous GAAP financial statements;
  - the Company has not recorded assets and liabilities that were not recognised in the previous GAAP; and
  - the Company has not excluded from its opening Balance Sheet those items recognised in accordance with Previous GAAP that do not qualify for recognition as an asset or liability under Ind AS.

  The above exemptions in respect of business combinations have also been applied to past acquisitions of investments in Associates and Joint Ventures.

- **Classification and Measurement of Financial Assets:**

  The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

- **Fair Value of Financials Assets and Liabilities:**

  As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

4.12 NOTES TO THE RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2015 AND 31ST MARCH, 2016 AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2016

A. Fair Valuation of Non-Current Investments [Bonds/ Preference Shares/Equity Investments (other than Investments in Subsidiaries, Joint Ventures and Associates)]:

i. Bonds/Equity Investments (Other than Investments in Subsidiaries, Joint Ventures and Associates):

Under Previous GAAP, long- term investments were measured at cost less diminution in value other than temporary. Under Ind AS, these financial assets have been classified as fair value through Other Comprehensive Income (FVTOCI). On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per the previous GAAP. As a result there has been:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

Particulars	As at 31st March, 2016	As at 1st April, 2015
Increase in Carrying Amount of Investments	1,266.50	1,166.91
Deferred Tax Liability on Fair Valuation of Investments	(82.96)	(72.67)
Increase in Total Equity (recognised in OCI)	1,183.54	1,094.24

These changes do not affect profit before tax or profit for the year ended 31st March, 2016 because the investments have been classified as FVTOCI.

ii. Preference Shares:

Under Previous GAAP, Preference Shares were measured at cost less diminution in value, which is other than temporary. Under Ind AS, these financial assets have been classified as fair value through Profit and Loss (FVTPL). On the date of transition to Ind AS, these financial assets have been measured at their fair value which is lower than the cost as per previous GAAP. As a result there has been:

₹ in Crore

Particulars	As at 31st March, 2016	As at 1st April, 2015
Decrease in Carrying Amount of Investments	(16.68)	(21.63)
Deferred Tax Assets on Fair Valuation of Investments	3.85	4.99
Decrease in Total Equity (recognised in Retained Earnings)	(12.83)	(16.64)

Above has led to increase in profit before tax of ₹ 4.95 Crore and profit of ₹ 3.81 Crore for the year ended 31st March, 2016.

B. Fair Valuation of Investments (Mutual Funds):

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP. As a result there has been:

₹ in Crore

Particulars	As at 31st March, 2016	As at 1st April, 2015
Increase in Carrying Amount of Investments	162.38	93.13
Deferred Tax Liability on Fair Valuation of Investments	(0.71)	(0.35)
Increase in Total Equity (recognised in Retained Earnings)	161.67	92.78

Above has led to increase in profit before tax of ₹ 69.25 Crore and profit of ₹ 68.89 Crore for the year ended March 31, 2016.

C. Share-Based Payments:

Under Previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date. The change does not affect total equity, but there is a decrease in profit before tax as well as profit for the year ended 31st March, 2016 by ₹ 3.27 Crore. On account of the above, amount recoverable from wholly owned subsidiary has increased by ₹ 0.43 Crore as on 31st March 2016 (₹ 0.29 Crore as on 1st April, 2015).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

D. Other Comprehensive Income (OCI):

Under Previous GAAP, there was no concept of OCI. Under Ind AS, fair valuation of Bonds and Equity Investments not held for trade (other than Subsidiaries, Joint Ventures and Associates) and re-measurement of defined benefit plan liability are recognised in OCI.

E. Proposed Dividend:

Under Previous GAAP, proposed dividend including Corporate Dividend Tax (CDT), was recognised as liability in the period to which it relates, irrespective of period of declaration of the dividend. Under Ind AS, proposed dividend is recognised as a liability when approved by shareholders in a General Meeting.

Therefore, dividend liability (proposed dividend) including CDT amounting to ₹ 220.81 Crore as at 31st March, 2016 and ₹ 168.70 Crore as at 1st April, 2015 was derecognised and recognised in Retained Earnings during the year ended 31st March, 2016 as declared and paid.

F. Excise Duty:

Under Previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products is inclusive of excise duty amounting to ₹ 809.16 for the year ended 31st March, 2016. Accordingly, Excise duty has been included in the cost of production, as it is a liability of the manufacturer, irrespective of whether the goods are sold or not.

G. Cash Discount:

Under Previous GAAP, cash discount of ₹ 7.52 Crore was recognised as part of other expenses, which has been adjusted against the revenue from operations under Ind AS during the year ended 31st March, 2016.

H. Defined Benefit Obligation:

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gain and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of assets ceiling, excluding amounts included in net interest on the net defined benefit liability and return on plan assets excluding amount included in net interest on the net defined benefit liability) are recognised in the Balance Sheet through Other Comprehensive Income (OCI). Thus, employee benefit expense is reduced by ₹ 3.85 Crore and is recognised in OCI during the year ended 31st March, 2016.

The current tax amounting to ₹ 1.33 Crore is also regrouped from profit or loss to OCI for the year ended 31st March, 2016. The above change does not affect total equity as at 31st March, 2016. However, profit before tax and profit for the year ended 31st March, 2016, is reduced by ₹ 3.85 Crore and ₹ 2.52 Crore respectively.

I. Exchange Difference on a loan given to a Joint Venture (Net investment in a Non-Integral Foreign Operations):

Under previous GAAP, exchange difference on a monetary item (Loan to a Joint Venture) is accumulated in foreign currency translation reserve (FCTR). On disposal of investment, such exchange difference is recognised in profit or loss. Whereas, as per Ind AS, exchange difference on such monetary item shall be recognised in profit or loss.

Exchange gain of ₹ 3.54 Crore as on 31st March, 2016 (₹ 2.05 Crore as on 1st April, 2015) is regrouped from FCTR to Retained Earnings.

The above change does not affect total equity as at 1st April, 2015 and 31st March, 2016. However, profit before tax and profit for the year ended 31st March, 2016 is increased by ₹ 1.49 Crore.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

J. Stamp Duty on Transfer of Assets of erstwhile ABCIL to Company's name in a Business Combination:

Under Previous GAAP, stamp duty/registration charges payable on transfer of assets in a business combination was allowed to be capitalised as it was considered as cost incurred on bringing the asset to location and working condition for its intended use.

However, Ind AS 103 specifically does not allow to capitalise such cost incurred on transfer of asset as it is considered as acquisition related cost.

Thus, stamp duty amounting to ₹ 83.95 Crore payable on transfer of Assets of erstwhile ABCIL to Company's name has been decapitalised from property, plant and equipment and charged to profit or loss for the year ended 31st March, 2016. Depreciation of ₹ 0.81 Crore charged on account of above capitalisation under Previous GAAP has also been reduced. Accordingly, deferred tax liability has been reversed by ₹ 26.01 Crore.

The above change has resulted in decrease in total equity as at 31st March, 2016 and profit for the year ended 31st March, 2016 by ₹ 57.13 Crore.

K. Capitalisation of major spares as Property, plant and Equipment (PPE):

As per Ind AS 16, spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and Equipment ('PPE') when they meet the following criteria:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

Based on the above provision, stores and spares satisfying above criteria are de-recognised from Inventory and capitalised as PPE from the date of purchase. Accordingly,

- Spares inventory amounting to ₹ 2.95 Crore as at 1st April, 2015 and ₹ 6.10 Crore as at 31st March, 2016 have been capitalised as part of PPE.
- Spares consumption amounting to ₹ 5.00 Crore charged to Profit or Loss for the year ended 31st March, 2016, has been reversed in Profit or Loss as per Ind AS.
- Depreciation of ₹ 0.35 Crore has been charged to Retained Earnings as at 1st April, 2015, and ₹ 1.01 Crore has been charged to Profit or Loss for the year ended 31st March, 2016.
- Deferred tax asset of ₹ 0.12 Crore has been credited to Retained Earnings as at 1st April, 2015 and ₹ 1.38 Crore has been charged to Profit or Loss for the year ended 31st March, 2016

The above change has resulted in increase in total equity by ₹ 2.38 Crore as at 31st March, 2016 and decrease in total equity by ₹ 0.23 Crore as at 1st April, 2015 and increase in profit before tax by ₹ 3.99 Crore and profit for the year ended 31st March, 2016 by ₹ 2.61 Crore.

L. Loss on sale of Non-current Investment:

Under Previous GAAP, Loss on sale of Non-current Investment was charged to profit and loss. Under Ind AS, the loss has been routed through OCI as per the accounting policy adopted for equity investments (other than Subsidiaries, Joint Ventures and Associates) and thereafter transferred to retained earnings.

M. Minimum Alternate Tax (MAT) Credit Entitlement:

As per Ind AS 12, the Company has considered MAT credit entitlement as deferred tax asset being unused tax credit entitlement.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

N. Deferred Tax:

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings, OCI or profit and loss respectively.

O. Re-classification of Assets and Liabilities as per Schedule III of the Companies Act, 2013:

1. As per Schedule III, Security Deposits which are financial in nature are to be classified under Loans and other deposits are classified under Other Non-Current/Current Assets respectively.
2. Under Previous GAAP, Loans as well as Advances were shown together under heading "Loans and Advances". However, as per Schedule III, Loans are classified under Financial Assets.
3. Fixed deposits with banks with maturity greater than twelve months have been reclassified from Cash and Cash equivalents to other non-current financial assets as per Schedule III of the Companies Act, 2013.
4. Fixed deposit with banks with maturity less than twelve months and those earmarked for specific purpose have been reclassified from Cash and Cash equivalents to Other Bank Balances as per Schedule III of the Companies Act, 2013.
5. Capital Advances have been reclassified from Long-term loans and advances to other Non-Current Assets.
6. Current and Non-Current Liabilities have been reclassified into financial and non-financial liabilities as per the nature of liabilities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.13 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

A. Effect of Ind AS adoption on the Balance Sheet as at 31st March 2016 and 1st April 2015:

₹ in Crore

	Reference (Note 4.12)	As at 31st March 2016			As at 1st April 2015		
		Previous GAAP #	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP #	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	J,K	7,016.68	(71.80)	**6,944.88**	5,181.90	2.60	**5,184.50**
Capital Work-in-Progress		317.65	-	**317.65**	450.36	-	**450.36**
Other Intangible Assets	J	19.36	(1.19)	**18.17**	5.64	-	**5.64**
Financial Assets			-			-	
Investments	A,B	4,632.59	1,254.32	**5,886.91**	4,486.14	1,150.02	**5,636.16**
Loans		126.94	-	**126.94**	112.24	-	**112.24**
Other Financial Assets		1.09	-	**1.09**	-	-	-
Other Non-Current Assets		60.56	-	**60.56**	74.03	-	**74.03**
MAT Credit Entitlement	M	520.37	(520.37)	-	339.78	(339.78)	-
Non-Current Tax Assets (Net)		94.39	-	**94.39**	-	-	-
		12,789.63	660.96	**13,450.59**	10,650.09	812.84	**11,462.93**
Current Assets							
Inventories	K	1,609.41	(4.04)	**1,605.37**	1,433.15	(2.95)	**1,430.20**
Financial Assets							
Investments	B	1,054.83	157.88	**1,212.71**	864.20	88.38	**952.58**
Trade Receivables		992.37	-	**992.37**	687.49	-	**687.49**
Cash and Cash Equivalents		23.06	-	**23.06**	42.55	-	**42.55**
Bank Balances other than Cash and Cash Equivalents		11.95	-	**11.95**	10.64	-	**10.64**
Loans		65.37	-	**65.37**	90.38	-	**90.38**
Other Financial Assets		20.71	-	**20.71**	10.58	-	**10.58**
Current Tax Assets (Net)		83.66	-	**83.66**	81.02	-	**81.02**
Other Current Assets	C	326.43	0.43	**326.86**	471.76	-	**471.76**
Assets Held for Disposal		3.72	-	**3.72**	5.29	-	**5.29**
		4,191.51	154.27	**4,345.78**	3,697.06	85.43	**3,782.49**
TOTAL		16,981.14	815.23	**17,796.37**	14,347.15	898.27	**15,245.42**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

	Reference (Note 4.12)	As at 31st March 2016			As at 1st April 2015		
		Previous GAAP #	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP #	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital		93.36	-	**93.36**	91.87	-	**91.87**
Other Equity	A, B, C, E, J, K, L	12,277.15	1,501.34	**13,778.49**	11,091.05	1,339.14	**12,430.19**
		12,370.51	1,501.34	**13,871.85**	11,182.92	1,339.14	**12,522.06**
Liabilities							
Non-Current Liabilities							
Financial Liabilities							
Borrowings		633.33	-	**633.33**	856.54	-	**856.54**
Other Financial Liabilities		1.94	-	**1.94**	1.15	-	**1.15**
		635.27	-	**635.27**	857.69	-	**857.69**
Provisions		72.28	-	**72.28**	49.57	-	**49.57**
Deferred Tax Liabilities (Net)	M, N	959.41	(465.30)	**494.11**	614.51	(271.88)	**342.63**
Other Non-Current Liabilities		21.45	-	**21.45**	19.83	-	**19.83**
Current Liabilities			-			-	
Financial Liabilities			-			-	
Borrowings		981.85	-	**981.85**	74.20	-	**74.20**
Trade Payables							
- Micro and Small Enterprises		4.59	-	**4.59**	0.91	-	**0.91**
- Creditors other than Micro and Small Enterprises		588.63	-	**588.63**	483.49	-	**483.49**
Other Financial Liabilities		335.66	-	**335.66**	327.68	-	**327.68**
		1,910.73	-	**1,910.73**	886.28	-	**886.28**
Other Current Liabilities		440.10	-	**440.10**	300.56	(0.29)	**300.27**
Short-Term Provisions	E	318.77	(220.81)	**97.96**	179.32	(168.70)	**10.62**
Current Tax Liabilities (Net)		252.62	-	**252.62**	256.47	-	**256.47**
TOTAL EQUITY AND LIABILITIES		16,981.14	815.23	**17,796.37**	14,347.15	898.27	**15,245.42**

Previous GAAP numbers of the Financial Statements for the year ended 31st March 2016 and Balance Sheet as on 1st April 2015 have been reclassified as per Schedule III of Companies Act, 2013 for like-to-like comparison.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. Effect of Ind AS adoption on the Statement of Profit and Loss for the Year ended 31st March 2016:

₹ in Crore

	Reference (Note 4.12)	Previous GAAP	Effect of transition to Ind AS	Ind AS
INCOME				
Revenue from Operations	G,F	8,979.60	798.80	**9,778.40**
Other Income	A(ii),B,I	281.77	76.68	**358.45**
Total Income (I)		9,261.37	875.48	**10,136.85**
EXPENSES				
Cost of Materials Consumed		4,389.67	-	**4,389.67**
Purchases of Stock-in-Trade		40.58	-	**40.58**
Changes in Inventories of Finished Goods,			-	
Work-in-Progress and Stock-in-Trade	F	(4.00)	(2.84)	**(6.84)**
Employee Benefits Expenses	C,H	610.22	7.12	**617.34**
Finance Costs		147.40	-	**147.40**
Depreciation and Amortisation Expense	J,K	447.14	(2.25)	**444.89**
Power and Fuel		1,403.75	-	**1,403.75**
Freight and Handling Expenses		159.13	-	**159.13**
Excise Duty	F	-	809.16	**809.16**
Other Expenses	G,J,K	816.38	71.38	**887.76**
		8,010.27	882.57	**8,892.84**
Less: Captive Consumption				
[Net of Excise Duty of ₹ 0.01 Crore]		14.83	-	**14.83**
Total Expenses (II)		7,995.44	882.57	**8,878.01**
Profit Before Exceptional Item and Tax		1,265.93	(7.09)	**1,258.84**
Exceptional Item		(29.19)	-	**(29.19)**
Profit Before Tax		1,236.74	(7.09)	**1,229.65**
Tax Expense				
Current Tax	H	223.42	(1.33)	**222.09**
MAT Credit	M	(153.82)	153.82	-
Deferred Tax	A, B, J, K, M, N	213.87	(176.95)	**36.92**
Total Tax Expense		283.47	(24.46)	**259.01**
Profit For The Year (III)		953.27	17.37	**970.64**
OTHER COMPREHENSIVE INCOME (OCI)	D			
A (i) Items that will not be reclassified to profit or loss				
a. Equity Instruments through OCI		-	98.28	**98.28**
b. Re-measurement of Defined Benefit Plan		-	3.85	**3.85**
(ii) Income Tax relating to items that will not be reclassified to profit or loss		-	(11.32)	**(11.32)**
B (i) Items that will be reclassified to profit or loss				
a. Debt Instruments through OCI		-	1.31	**1.31**
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	(0.30)	**(0.30)**
Other Comprehensive Income for the year {IV: [A (i+ii)+B(i+ii)]}		-	91.82	**91.82**
Total Comprehensive Income for the year (III + IV)		953.27	109.19	**1,062.46**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

C. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016:

₹ in Crore

Particulars	Reference (Note 4.12)	As at 31st March 2016
Profit as reported under previous GAAP (A)		**953.27**
Ind AS adjustments on account of:		
a. Fair Valuation of Investments designated through Profit and Loss	A(ii),B	74.20
b. Cost of Employee Stock Option at Fair Value, earlier accounted as per Intrinsic Value	C	(3.27)
c. Remeasurement of Defined Benefit Plan accounted in OCI	H	(3.85)
d. Exchange Difference on Loan to Joint Venture, earlier considered as Foreign Currency Translation Reserve	I	1.49
e. Stamp Duty on Transfer of Assets of erstwhile ABCIL (Net of Depreciation) charged to Profit and Loss, earlier capitalised	J	(83.14)
f. Capitalisation of Major Spares as Property, Plant and Equipment	K	
(i) Reversal of consumption of spares charged to Profit and Loss		5.00
(ii) Depreciation on Spares Capitalised		(1.01)
g. Loss on Sale of Long-Term Investment in Larsen & Toubro Limited Shares accounted in Other Comprehensive Income (OCI), earlier charged to Profit and Loss	L	1.02
h. Others		2.47
i. Deferred and Current tax Adjustments on above (Net)		24.46
Total effect of transition to Ind AS (B: sum a to i)		**17.37**
Profit for the year as per Ind AS (A + B)		**970.64**
Other Comprehensive Income for the Year (Net of tax)	A(i),H	91.82
Total Comprehensive Income under Ind AS		**1,062.46**

D. Reconciliation of Equity as at 31st March 2016 and 1st April 2015:

₹ in Crore

Particulars	Reference (Note 4.12)	As at 31st March 2016	As at 1st April 2015
Total Equity as reported under previous GAAP (A)		**12,370.51**	**11,182.92**
Ind AS adjustments on account of:			
a. Fair Valuation of Investments designated through Profit and Loss	A (ii), B	145.70	71.50
b. Fair Valuation of Investments designated through Other Comprehensive Income	A (i)	1,266.50	1,166.91
c. Dividend not recognised as Liability until declared	E	220.81	168.70
d. Capitalisation of Major Spares as Property, Plant and Equipment	K		
(i) Reversal of consumption of high value spares charged to Profit and Loss		5.00	-
(ii) Depreciation on high value spares capitalised		(1.36)	(0.35)
e. Stamp Duty on Transfer of Assets of erstwhile ABCIL charged to Profit and Loss (Net of Depreciation), earlier capitalised under previous GAAP	J	(83.14)	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

Particulars	Reference (Note 4.12)	As at 31st March 2016	As at 1st April 2015
f. Others		2.90	0.29
g. Deferred tax Adjustments (Net)	A, B, K	(55.07)	(67.91)
Total adjustment to Equity (B: a + b + c + d + e + f + g)		**1,501.34**	**1,339.14**
Total Equity under Ind AS (A + B)		**13,871.85**	**12,522.06**

E. Effect of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2016

₹ in Crore

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash Flows from Operating Activities	1,328.21	12.48	1,340.69
Net Cash Flows from Investing Activities	(686.27)	(14.88)	(701.15)
Net Cash Flows from Financing Activities	(663.06)	0.00	(663.06)
Net Increase/(Decrease) in Cash and Cash Equivalents	**(21.12)**	**(2.40)**	**(23.52)**
Cash and Cash Equivalents at the Beginning of the Year	53.19	(10.64)	42.55
Cash and Cash Equivalents received on Amalgamation/ Acquisition	4.03	-	4.03
Cash and Cash Equivalents at the End of the Year	**36.10**	**(13.04)**	**23.06**

Analysis of cash and Cash Equivalents as at 31st March, 2016 and as at 1st April, 2015 for the purpose of the Statement of Cash Flow under Ind AS

₹ in Crore

Particulars	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents for the purpose of the statement of cash flows as per previous GAAP	**36.10**	**53.19**
Earmarked balances with Bank (includes Unclaimed Dividend, Fixed Deposits with maturity more than 3 months, etc.) and Fixed Deposits more than 12 months	(13.04)	(10.64)
Cash and Cash Equivalents for the purpose of the Statement of Cash Flow as per Ind AS	**23.06**	**42.55**

4.14 In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based Payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash Flows' and IFRS 2, 'Share- based Payment,' respectively. The amendments are applicable to the company from 1st April, 2017. The Company is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

(A) Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(B) Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

4.15 AMALGAMATION OF ADITYA BIRLA CHEMICALS (INDIA) LTD.

During the previous year, the Hon'ble High Courts of Madhya Pradesh and Jharkhand have by their respective orders, approved the Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited (ABCIL), a leading manufacturer of Chlor Alkali and allied chemicals, with the Company and their respective Shareholders and Creditors. ABCIL has been amalgamated with the Company on 4th January, 2016 w.e.f. the appointed date of 1st April, 2015.

All the assets and liabilities have been accounted for in the books of account of the Company at the value appearing in the books of account of ABCIL as on 1st April, 2015 under the "Pooling of Interest" method as per the Court approved scheme of Amalgamation.

In terms of the Scheme, the Company has issued 14.62 lakh equity shares to the shareholders of the erstwhile ABCIL in the ratio of 1 (one) share of ₹ 10/- each fully paid-up against 16 (sixteen) shares of ₹ 10/- each fully paid up of ABCIL held by them. As a result, issued and paid up Equity Share Capital of the Company has increased by ₹ 1.46 Crore to ₹ 93.33 Crore.

Difference between Share Capital of ABCIL of ₹ 23.39 Crore and Equity Share Capital issued by Company of ₹ 1.46 Crore to ABCIL shareholders amounting to ₹ 21.93 Crore has been disclosed as "Capital Reserve".

Further, Chlor Alkali plant and related assets of Ganjam, Odisha and Salt Works at Pundi, Andhra Pradesh were acquired during the previous year at a total consideration of ₹ 212 Crore as per the Business Transfer Agreement between the ABCIL and Jayshree Chemicals Ltd.

The Company has followed the accounting treatment prescribed in the court approved Scheme of Amalgamation of ABCIL which is at deviation from the treatment for the amalgamation as per the Ind AS 103 (Business Combinations) in terms of general instruction clause (1) of notification dated 16th February, 2015 of Ministry of Corporate Affairs.

Disclosure of Assets and Liabilities recognised at the appointed date of Business Combination as per the Scheme of Amalgamation of ABCIL:

₹ in Crore

A.	ASSETS	Previos Year
1.	**Non-Current Assets**	
	(a) Property, Plant and Equipment and Intangible Assets	1,433.51
	(b) Capital work-in-Progress	26.12
	(c) Non-Current Investments	5.05
	(d) Other Non-Current Assets	35.30
	Sub-total - Non-Current Assets	**1,499.98**
2.	**Current Assets**	
	(a) Inventories	154.35
	(b) Trade Receivables	120.64
	(c) Cash and Cash Equivalents	4.03
	(e) Other Current Assets	65.55
	Sub-total - Current Assets	**344.57**
	TOTAL - ASSETS (A)	**1,844.55**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Crore

A.	ASSETS	Previos Year
B.	**LIABILITIES**	
1.	**Non-Current Liabilities**	
	(a) Borrowings	670.31
	(b) Deferred Tax Liabilities (Net)	131.03
	(c) Provisions	17.57
	Sub-total - Non-Current Liabilities	**818.91**
2.	**Current Liabilities**	
	(a) Borrowings	259.65
	(b) Trade Payables	52.47
	(c) Provisions	19.94
	(d) Other Current Liabilities	247.57
	Sub-total - Current Liabilities	**579.63**
	TOTAL - LIABILITIES (B)	**1,398.54**
	Net Asset acquired on Amalgamation (A - B)	446.01
	Contingent Liabilities	66.28

4.16 SCHEME OF ARRANGEMENT FOR AMALGAMATION OF ADITYA BIRLA NUVO LTD. (ABNL) WITH THE COMPANY AND DEMERGER OF FINANCIAL SERVICES BUSINESS INTO ADITYA BIRLA FINANCIAL SERVICES LTD. (ABFSL).

During the year, the Board of Directors of the Company approved a composite Scheme of Arrangement between the Company, ABNL and ABFSL - a wholly owned Subsidiary of ABNL and their respective shareholders and creditors ('Scheme'). The Scheme provides for Amalgamation of ABNL with the Company and the subsequent demerger of financial services business into ABFSL and consequent listing of equity shares of ABFSL.

In terms of the Scheme, the Company will issue equity shares to the shareholders of ABNL in the ratio of 15 (fifteen) equity Shares of ₹ 2/- each fully paid up against 10 (ten) equity shares of ₹ 10/- each fully-paid up of ABNL held by them on the record date for this purpose in the first stage.

Subsequently in the second stage, on demerger of financial services business into ABFSL, the Shareholders of the Company will be issued equity shares of ABFSL in the ratio of 7 (seven) equity shares of ₹ 10/- each fully paid-up in respect of 5 (five) equity shares of ₹ 2/- each fully paid up of the Company held by them on the record date for this purpose.

The Scheme has been approved by the Equity Shareholders and Creditors of the Company at their meeting held on 6th April, 2017. Shareholders and Creditors of ABNL and ABFSL have also approved the Scheme. Other regulatory approvals such as from Competition Commission of India, Stock Exchanges have also been received. The proceedings for sanction of the Scheme by the National Company Law Tribunal (NCLT) are in progress. Pending sanction of the Scheme by NCLT and the Scheme becoming effective with other regulatory requirements, no effect has been given for the Scheme in these financial statements. In terms of the Scheme, the effective date will be the appointment date and there is no separate appointment date for the Scheme. The Scheme is expected to become effective by second quarter of the financial year 2017-18.

The Audited Financial Statements (Standalone and Consolidated) of ABNL for the year ended 31st March, 2017 have been duly approved by its Board of Directors at its meeting held on 18th May, 2017, extracts of which are as under:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A. Summarised Statement of Profit and Loss of ABNL for the year ended 31st March 2017

₹ in Crore

Particulars	Standalone		Consolidated	
	Current Year ended 31st March 2017	Previous Year ended 31st March 2016	Current Year ended 31st March 2017	Previous Year ended 31st March 2016
Revenue from Operations	**5,210.53**	5,660.25	**14,577.26**	13,314.89
Other Income	**241.75**	206.48	**348.81**	325.95
Total Income	**5,452.28**	5,866.73	**14,926.07**	13,640.84
Profit before Interest, Depreciation and Tax	**745.44**	856.87	**3,931.41**	3,058.40
Finance Costs relating to NBFC/NHFC's Business	-	-	**2,275.99**	1,599.78
Other Finance Cost	**215.34**	280.49	**218.01**	279.10
Depreciation and Amortisation	**133.84**	121.17	**203.74**	172.74
Profit before Share in Profit/(Loss) of an Associate and Joint Ventures, Exceptional Items and Tax from Continuing Operations	**396.26**	455.21	**1,233.67**	1,006.78
Share in Profit/(Loss) of an Associate and Joint Venture	-	-	**11.47**	752.87
Exceptional Item	**1,135.54**	56.44	**15.84**	56.44
Tax (Current & Deferred)	**185.59**	148.06	**297.74**	531.99
Profit for the Year from continuing operations including profit of Life Insurance Business attributable to Participating Shareholders	**1,346.21**	363.59	**963.24**	1,284.10
Less: Profit of Life Insurance Business attributable to Participating Shareholders	-	-	**5.62**	(1.24)
Profit for the period from continuing operations	**1,346.21**	363.59	**957.62**	1,285.34
Profit attributable to discontinued operations	-	22.62	-	354.74
Profit for the period	**1,346.21**	386.21	**957.62**	1,640.08
Other Comprehensive Income (net of Tax)	**409.05**	(641.21)	**470.85**	(289.86)
Total Comprehensive Income	**1,755.26**	(255.00)	**1,428.47**	1,350.22
Profit for the period attributable to:				
Owners of the parent	**1,346.21**	386.21	**908.31**	1,612.77
Non-Controlling Interest	-	-	**49.31**	27.31
Total Comprehensive Income attributable to :				
Owners of the Company	**1,755.26**	(255.00)	**1,346.60**	1,327.19
Non- controlling Interest	-	-	**81.87**	23.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. Summarised Balance Sheet of ABNL as on 31st March 2017

₹ in Crore

Particulars	Standalone		Consolidated	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Assets				
Non-Current Assets	**11,697.12**	10,608.31	**74,067.30**	58,567.20
Current Assets	**2,791.71**	3,212.98	**18,148.65**	16,738.81
Total	**14,488.83**	13,821.29	**92,215.95**	75,306.01
Equity and Liabilities				
Equity (including Non-controlling Interest)	**10,280.92**	8,597.85	**17,412.00**	13,883.37
Non-Current Liabilities	**1,185.09**	1,472.98	**53,555.63**	45,803.78
Current Liabilities	**3,022.82**	3,750.46	**21,248.32**	15,618.86
Total	**14,488.83**	13,821.29	**92,215.95**	75,306.01

4.17 Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.

In terms of our report on even date attached

For GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Akeel Master
Partner
Membership No.: 46768

For G. P. KAPADIA & CO.
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Atul B. Desai
Partner
Membership No.: 30850

Dilip Gaur
Managing Director
DIN-02071393

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN-00060017

Hutokshi Wadia
Company Secretary

B. V. Bhargava
Independent Director
DIN-00001823

M. L. Apte
Independent Director
DIN-00003656

Mumbai
Dated: 19th May, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Grasim Industries Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Grasim Industries Limited (herein after referred to as "the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures which comprise the consolidated balance sheet as at 31 March 2017, and the consolidated Statement of profit and loss (including Other Comprehensive Income), the consolidated cash flow statement and the consolidated statement of changes in equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (c) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the consolidated financial position of the Group, its associates and joint ventures as at 31 March 2017, and their consolidated financial performance including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year then ended.

EMPHASIS OF MATTER

We draw attention to the following notes in the Statement:

a) Note 4.5.3 in respect of UltraTech Cement Limited ("UTCL"), a subsidiary company, in terms of order dated 31 August 2016, whereby the Competition Commission of India ('CCI') has imposed penalty of ₹ 1,175.49 crores for alleged contravention of the provisions of the Competition Act, 2002 by UTCL. UTCL has filed an appeal against CCI Order before the Competition Appellate Tribunal ('COMPAT'). COMPAT has granted stay on the CCI Order on the condition that UTCL deposits 10% of the penalty amounting to ₹ 117.55 crores which has since been deposited. Based on a legal opinion and considering the uncertainty relating to the outcome of this matter, no provision has been made by UTCL in these audited consolidated financial results.

Note 4.5.3 in respect of UltraTech Cement Limited ("UTCL"), a subsidiary company, in terms of order dated 19 January 2017, whereby the CCI has imposed penalty of ₹ 68.3 crores pursuant to a reference filed by the Government of Haryana for alleged contravention of the provisions of the Competition Act, 2002 in August 2012 by UTCL. UTCL believes it has a good case and will appeal against the order before COMPAT. Considering the uncertainty relating to the outcome of this matter, no provision has been made by UTCL in these audited consolidated financial results.

b) Note 4.5.4 in respect of Idea Cellular Limited ("Idea"), an associate company, which describes the uncertainties related to the pending legal outcome in respect of demand notices issued by Department of Telecommunications (DoT) for one time spectrum charges.

Our conclusion is not modified in respect of the abovementioned matters.

OTHER MATTERS

a. The comparative financial information of the Group for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report for the year ended 31 March 2016 and 31 March 2015 dated 7 May 2016 and 2 May 2015 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by B S R & Co. LLP, Chartered Accountants, one of the joint auditors of the Company with respect to the Holding Company and by other auditors with respect to the subsidiaries and joint venture as noted in the sub-paragraph (b) below. Our opinion is not modified in respect of this matter.

b. The financial statements of seven subsidiary companies as considered in the consolidated Ind AS financial statements, which reflect total assets of ₹ 502.45 crores and net assets of ₹ 317.94 crores as at 31 March 2017, total revenues of ₹ 386.09 crores and net cash outflows of ₹ 0.56 crores for the year ended on that date, have been audited by M/s. G.P. Kapadia & Co., Chartered Accountants, one of the joint auditors of the Company.

c. The financial statements of one subsidiary company as considered in the consolidated Ind AS financial statements, which reflect total assets of ₹ 39,281.09 crores and net assets of ₹ 23,941.01 crores as at 31 March 2017, total revenues of ₹ 27,162.42 crores and net cash outflows of ₹ 24.89 crores for the year ended on that date, have been jointly audited by B S R & Co. LLP, Chartered Accountants, one of the joint auditors of the Company and other auditor.

d. We did not audit the financial statements of twelve subsidiary companies whose financial statements reflect total assets of ₹ 3,322.99 crores and net assets of ₹ 837.17 crores as at 31 March 2017, total revenues of ₹ 1,831.68 crores and net cash outflow of ₹ 2.71 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 97.66 crores for the year ended 31 March, 2017, as considered in the consolidated Ind AS financial statements, in respect of two associates and five joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, two associates and five joint ventures and our report in terms of Section 143 (3) of the Act, insofar as it relates to the aforesaid twelve subsidiaries, two associates and five joint ventures, is based solely on the reports of the other auditors.

e. We did not audit the financial statements of five subsidiary companies whose financial statements reflect total assets of ₹ 3.51 crores and net assets of ₹ 3.41 crores as at 31 March 2017, total revenues of ₹ Nil and net cash outflow of ₹ 2.87 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 34.56 crores for the year ended 31 March, 2017, as considered in the consolidated Ind AS financial statements, in respect of one associate company and three joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, one associate company and three joint ventures and our report in terms of Section 143 (3) of the Act, insofar as it relates to the aforesaid five subsidiaries, one associate company and three joint ventures, is based solely on such unaudited financial statements.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matters' paragraph, 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 of aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

(c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture incorporated in India, none of the Directors of the Group companies, its associate companies and its joint venture incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164(2) of the Act.; and

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and a joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matters' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture. Refer Note 4.5 to the consolidated Ind AS financial statements;

ii. The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2017;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, associate companies and a joint venture incorporated in India during the year ended 31 March 2017; and

iv. The Company has provided requisite disclosures in its consolidated Ind AS financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December 2016 and these disclosures are in accordance with books of account maintained by the Company. Refer Note 4.4.6 to the consolidated Ind AS financial statements.

For G. P. Kapadia & Co.
Chartered Accountants
Firm's Registration No: 104768W

Atul B. Desai
Partner
Membership No: 30850

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Place: Mumbai
19th May 2017

ANNEXURE – A

to the Independent Auditor's Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of Grasim Industries Limited ("the Holding Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and a joint venture incorporated in India as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and a joint venture company, which are companies incorporated in India, are 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and a joint venture company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance

with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

OPINION

In our opinion, the Holding Company, its subsidiary companies, its associate companies and a joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two associate companies and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For G. P. Kapadia & Co.
Chartered Accountants
Firm's Registration No: 104768W

Atul B. Desai
Partner
Membership No: 30850

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Place: Mumbai
19th May 2017

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2017

₹ in Crore

	Note	As at 31st March, 2017		As at 31st March, 2016	As at 1st April, 2015
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	2.1	**31,420.41**		30,915.67	27,495.80
Capital Work-in-Progress	2.1	**1,296.34**		1,787.30	2,693.56
Goodwill	2.2	**2,994.39**		3,015.52	2,962.39
Other Intangible Assets	2.1	**371.93**		339.59	213.18
Intangible Assets Under Development	2.1	**0.63**		1.08	4.84
Financial Assets					
Equity Accounted Investees	2.3	**2,151.83**		2,040.18	1,838.27
Investments	2.4	**5,049.96**		4,970.62	4,090.97
Loans	2.5	**199.00**		200.83	182.31
Other Financial Assets	2.6	**76.52**		283.72	547.10
Deferred Tax Assets (Net)	2.7	**20.44**		19.04	12.12
Non-Current Tax Assets (Net)		**136.62**		186.64	94.78
Other Non-Current Assets	2.8	**591.12**		758.73	984.87
			44,309.19	44,518.92	41,120.19
Current Assets					
Inventories	2.9	**4,231.42**		4,148.75	4,340.22
Financial Assets					
Equity Accounted Investees	2.10	**4.46**		55.31	-
Investments	2.11	**6,994.13**		3,535.09	3,732.14
Trade Receivables	2.12	**3,009.56**		3,002.01	2,457.31
Cash and Cash Equivalents	2.13	**93.83**		113.34	124.70
Bank Balances other than Cash and Cash Equivalents	2.14	**2,213.19**		2,193.81	298.97
Loans	2.15	**180.16**		175.22	196.19
Other Financial Assets	2.16	**398.16**		596.68	207.68
Current Tax Assets (Net)		**30.90**		110.78	102.37
Other Current Assets	2.17	**1,294.61**		1,127.40	1,344.63
Assets Held for Disposal		**7.98**		18.17	9.53
			18,458.40	15,076.56	12,813.74
TOTAL			**62,767.59**	59,595.48	53,933.93
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	2.18	**93.37**		93.36	91.87
Other Equity	2.19	**31,293.44**		27,335.95	24,390.96
Equity Attributable to Owners of the Company			**31,386.81**	27,429.31	24,482.83
Non-Controlling Interest	2.30		**9,701.93**	8,728.82	7,849.79
Total Equity			**41,088.74**	36,158.13	32,332.62

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2017

₹ in Crore

	Note		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
Borrowings	2.20	**6,768.71**		5,544.17	6,261.64
Trade Payables		**8.13**		8.31	15.70
Other Financial Liabilities	2.21	**34.81**		9.74	79.96
			6,811.65	5,562.22	6,357.30
Provisions	2.22		**370.29**	345.68	299.21
Deferred Tax Liabilities (Net)	2.23		**3,538.82**	3,043.98	2,554.45
Other Non-Current Liabilities	2.24		**35.60**	22.49	20.92
Current Liabilities					
Financial Liabilities					
Borrowings	2.25	**1,157.85**		3,478.91	2,656.50
Trade Payables - Total Outstanding Dues of	2.26				
- Micro and Small Enterprises		**5.11**		5.81	2.00
- Creditors other than Micro and Small Enterprises		**3,063.71**		2,389.73	2,274.59
Other Financial Liabilities	2.27	**1,688.05**		3,952.47	3,066.77
			5,914.72	9,826.92	7,999.86
Other Current Liabilities	2.28		**3,949.42**	3,642.02	3,249.00
Provisions	2.29		**253.88**	268.32	174.25
Current Tax Liabilities (Net)			**804.47**	725.72	946.32
TOTAL EQUITY AND LIABILITIES			**62,767.59**	59,595.48	53,933.93
Significant Accounting Policies	1				
The accompanying Notes are an integral part of the Financial Statements					

In terms of our report on even date attached

For GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Akeel Master
Partner
Membership No.: 46768

For G. P. KAPADIA & CO.
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Atul B. Desai
Partner
Membership No.: 30850

Dilip Gaur
Managing Director
DIN-02071393

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN-00060017

Hutokshi Wadia
Company Secretary

B. V. Bhargava
Independent Director
DIN-00001823

M. L. Apte
Independent Director
DIN-00003656

Mumbai
Dated: 19th May, 2017

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Crore

	Note	Year Ended 31st March 2017 (Current Year)		Year Ended 31st March 2016 (Previous Year)
INCOME				
Revenue from Operations	3.1 & 3.2		40,247.17	38,535.01
Other Income	3.3		947.78	661.60
Total Income (I)			41,194.95	39,196.61
EXPENSES				
Cost of Materials Consumed	3.4	8,688.85		8,460.42
Purchases of Stock-in-Trade	3.5	624.41		573.63
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.6	161.75		(31.84)
Employee Benefits Expenses	3.7	2,265.59		2,127.82
Finance Costs	3.8	702.40		718.09
Depreciation and Amortisation Expenses	2.1.2	1,807.59		1,833.79
Power and Fuel		5,795.41		6,013.70
Freight and Handling Expenses		6,092.09		6,141.91
Excise Duty		4,178.77		4,047.54
Other Expenses	3.9	5,076.99		4,851.82
			35,393.85	34,736.88
Less: Captive Consumption [Net of Excise Duty of ₹ 1.90 Crore (Previous Year ₹ 3.41 Crore)]			21.82	54.44
Total Expenses (II)			35,372.03	34,682.44
Profit Before Share in Profit/(Loss) of Equity Accounted Investees, Exceptional Item and Tax			5,822.92	4,514.17
Share in Profit/(Loss) of Equity Accounted Investees (Net of Tax)			129.40	193.02
Profit Before Tax and Exceptional Item			5,952.32	4,707.19
Exceptional Item	2.4.3		-	(27.85)
Profit Before Tax			5,952.32	4,679.34
Tax Expense	3.10			
Current Tax		1,346.00		855.87
Deferred Tax		360.71		368.73
Total Tax Expense			1,706.71	1,224.60
Profit for the Year (III)			4,245.61	3,454.74
OTHER COMPREHENSIVE INCOME	3.11			
A (i) Items that will not be reclassified to Profit or Loss		1,010.04		98.30
(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		(18.39)		(11.09)
B (i) Items that will be reclassified to Profit or Loss		(28.32)		147.70
(ii) Income Tax relating to Items that will be reclassified to Profit or Loss		0.11		(13.22)
Other Comprehensive Income for the Year (IV)			963.44	221.69
Total Comprehensive Income for the Year (III + IV)			5,209.05	3,676.43

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Crore

	Note	Year Ended 31st March 2017 (Current Year)	Year Ended 31st March 2016 (Previous Year)
Profit attributable to:			
Owners of the Company		**3,167.30**	2,468.14
Non-Controlling Interest		**1,078.31**	986.60
		4,245.61	3,454.74
Other Comprehensive Income attributable to:			
Owners of the Company		**951.48**	209.98
Non-Controlling Interest		**11.96**	11.71
		963.44	221.69
Total Comprehensive Income attributable to:			
Owners of the Company		**4,118.78**	2,678.12
Non-Controlling Interest		**1,090.27**	998.31
		5,209.05	3,676.43
Earnings Per Equity Share (Face Value ₹ 2 each)	3.13		
Basic (₹)		**67.85**	52.88
Diluted (₹)		**67.77**	52.84
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report on even date attached

For GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Akeel Master
Partner
Membership No.: 46768

For G. P. KAPADIA & CO.
Chartered Accountants
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Atul B. Desai
Partner
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Dilip Gaur
Managing Director
DIN-02071393

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN-00060017

Hutokshi Wadia
Company Secretary

B. V. Bhargava
Independent Director
DIN-00001823

M. L. Apte
Independent Director
DIN-00003656

Mumbai
Dated: 19th May, 2017

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Crore

			Current Year		Previous Year
A.		**Cashflow from Operating Activities**			
	a.	Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees	**5,822.92**		4,486.32
		Adjustments for:			
		Depreciation and Amortisation	**1,807.59**		1,833.79
		Finance Costs	**702.40**		718.09
		Interest Income	**(175.19)**		(115.75)
		Dividend Income	**(27.15)**		(20.02)
		Employee Stock Option Expenses	**10.79**		15.08
		Loss Allowance (Net)	**34.22**		31.73
		Impairment in Value of Non-Current Investments (Note 2.4.3)	**-**		27.85
		Exchange Loss on Capital Reduction in a Joint Venture (Note 2.4.4)	**13.52**		-
		Non-Cash Items	**(166.53)**		(12.15)
		(Profit)/Loss on Sale of Property, Plant & Equipment (Net)	**1.47**		0.58
		Profit on Sale of Investments (Net)	**(91.58)**		(89.86)
		Provision for Asset Transfer Cost of erstwhile ABCIL (Note 2.29.1)	**-**		83.95
		Unrealised Gain on Investments measured at Fair Value through Profit and Loss (Net)	**(495.83)**		(403.98)
		Discounting of Sales Tax Deferment Loan	**(17.82)**		(2.24)
		Fair Value Movement in Derivative Instruments	**15.48**		12.76
		Profit on Sale of Consumer Products Division (Net) {Slump sale}	**-**		(7.72)
	b.	Operating Profit Before Working Capital Changes	**7,434.29**		6,558.43
		Adjustments for:			
		Trade Receivables	**(29.22)**		(437.42)
		Financial and Other Assets	**(146.45)**		222.66
		Inventories	**(82.74)**		350.67
		Trade Payables and Other Liabilities	**1,065.48**		347.71
	c.	Cash Generated from Operations	**8,241.36**		7,042.05
		Direct Taxes Paid (Net of Refund)	**(965.13)**		(1,173.69)
		Net Cash from Operating Activities		**7,276.23**	5,868.36
B.		**Cashflow from Investing Activities**			
		Purchase of Property, Plant and Equipment (Note iii below)	**(1,827.51)**		(2,773.84)
		Proceeds from Disposal of Property, Plant and Equipment	**46.58**		25.82
		Investments in Subsidiaries	**-**		(12.75)
		Investments in Joint Ventures	**(0.53)**		(3.94)
		Sale of Mutual Fund Units and Bonds (Non-Current)	**2,160.30**		2,891.65
		Purchase of Mutual Fund Units, Bonds and Certificate of Deposits (Current) {Net}	**(3,817.53)**		(2,989.58)
		Proceeds from Sale of Non-Current Equity Investments	**-**		11.56
		Proceeds from (Purchase)/Sale of Investments (Current) {Net}	**(246.81)**		2.97
		Investment in Other Bank Deposits	**(17.67)**		(1,894.60)
		Proceeds from Capital Reduction in a Joint Venture	**42.68**		-
		Expenditure for Cost of Assets Transferred	**(13.81)**		-

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Crore

		Current Year		Previous Year
	Loans and Advances to Related Parties	0.47		-
	Inter-Corporate Deposits	(13.50)		30.00
	Proceeds from Sale of Consumer Products Division (Net) {Slump Sale}	-		9.53
	Interest Received	166.76		110.59
	Dividend Received	27.15		20.02
	Net Cash used in Investing Activities		(3,493.42)	(4,572.57)
C.	**Cashflow from Financing Activities**			
	Proceeds from Issue of Share Capital under ESOS	9.25		7.92
	Equity Infusion by Minority Shareholders in a Subsidiary	-		0.89
	Proceeds from Non-Current Borrowings	3,670.50		2,865.97
	Repayments of Non-Current Borrowings	(4,116.34)		(3,686.19)
	Proceeds/(Repayments) of Current Borrowings (Net)	(2,313.91)		526.52
	Interest paid (Net of Subsidy)	(678.72)		(758.27)
	Dividends Paid (including Corporate Dividend Tax)	(351.76)		(321.41)
	Net Cash used in Financing Activities		(3,780.98)	(1,364.57)
D.	**Net Increase/(Decrease) in Cash and Cash Equivalents**		1.83	(68.78)
	Cash and Cash Equivalents at the Beginning of the Year (Note 2.13)		113.34	124.70
	Add:			
	Effect of Exchange Rate on Consolidation of Foreign Subsidiaries		(21.34)	53.36
	Cash and Cash Equivalents Received on Amalgamation/ Acquisition (Note 4.18)		-	4.06
	Cash and Cash Equivalents at the End of the Year (Note 2.13)		93.83	113.34

Notes :

(i) Cash Flow Statement has been prepared as per the indirect method set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015, under the Companies Act, 2013.

(ii) The Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited (ABCIL) with the Company implemented w.e.f. the appointed date of 1st April, 2015, did not involve any cash outlflow as the Company issued equity shares of the Company to the Shareholders of erstwhile ABCIL in terms of the Scheme.

(iii) Purchase of Property, Plant and Equipment includes movements of Capital Work-in-Progress (including Capital Advances) and Capital Expenditure Creditors during the year.

In terms of our report on even date attached

For GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Akeel Master
Partner
Membership No.: 46768

For G. P. KAPADIA & CO.
Chartered Accountants
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Atul B. Desai
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Managing Director
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Whole-time Director &
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Hutokshi Wadia
Company Secretary

B. V. Bhargava
Independent Director
DIN-00001823

M. L. Apte
Independent Director
DIN-00003656

Mumbai
Dated: 19th May, 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2017

A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2017

₹ in Crore

Balance as at 1st April, 2016	Changes in Equity Share Capital during the year (Note 2.18.3)	Balance as at 31st March 2017
93.36	**0.01**	**93.37**

For the year ended 31st March, 2016

₹ in Crore

Balance as at 1st April, 2015	Changes in Equity Share Capital during the year (Note 2.18.3)	Balance as at 31st March 2016
91.87	1.49	93.36

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2017

B. OTHER EQUITY

₹ in Crore

	Attributable to Owners of the Company															Non-Controlling Interest (Refer Note 2.30)	Total Equity
	Equity Component of Other Financial Instruments	Reserves and Surplus							Other Comprehensive Income (OCI)				Employee Share Options Outstanding #	Total		
		Capital Reserve Capital Subsidy	Legal Reserve	Securities Premium Reserve	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Retained Earnings	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve				
As at 31st March, 2017																
Opening Balance as at 1st April, 2016	2.19	109.78	0.15	554.08	22,910.93	205.38	5.77	2,109.82	3.64	1,180.14	10.48	200.75	42.84	27,335.95	8,728.82	36,064.77
Profit for the Year	-	-	-	-	-	-	-	3,167.30	-	-	-	-	-	3,167.30	1,078.31	4,245.61
Other Comprehensive Income for the Year (Refer Note 3.11)	-	-	-	-	-	-	-	@(18.17)	4.85	1,015.04	28.88	(79.12)	-	951.48	11.96	963.44
Dividend (including Corporate Dividend Tax) pertaining to FY 2015-16	-	-	-	-	-	-	-	(253.20)	-	-	-	-	-	(253.20)	(123.64)	(376.84)
Additional Non-Controlling Interest relating to Outstanding Share-based Payment Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.03
Change in Non-Controlling Interest in the Books of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.35)	(4.35)
Movement during the Year	0.81	0.01	0.63	153.98	1,697.37	(53.82)	0.69	(1,706.62)	-	-	-	(0.03)	(1.11)	91.91	10.80	102.71
Closing Balance as at 31st March, 2017	3.00	109.79	0.78	708.06	24,608.30	151.56	6.46	3,299.13	8.49	2,195.18	39.36	121.60	41.73	31,293.44	9,701.93	40,995.37
As at 31st March 2016																
Opening Balance as at 1st April, 2015 as per Ind AS	1.54	70.85	0.15	543.66	21,460.72	178.45	5.43	914.34	2.89	1,091.85	(33.40)	123.58	30.90	24,390.96	7,849.79	32,240.75
Transferred from ABCIL as on 1st April 2015 pursuant to Scheme of Amalgamation (Note 4.18)	-	17.00	-	0.02	43.27	-	-	362.33	-	-	-	-	-	422.62	-	422.62
Capital Reserve on Amalgamation (Note 4.18)	-	21.93	-	-	-	-	-	-	-	-	-	-	-	21.93	-	21.93

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Crore

	Attributable to Owners of the Company															Non-Controlling Interest (Refer Note 2.30)	Total Equity
	Equity Component of Other Financial Instruments	Reserves and Surplus							Other Comprehensive Income (OCI)				Employee Share Options Outstanding #	Total			
		Capital Reserve Capital Subsidy	Legal Reserve	Securities Premium Reserve	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Retained Earnings	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve					
Profit for the Year	-	-	-	-	-	-	-	-	2,468.14	-	-	-	-	-	2,468.14	986.60	3,454.74
Other Comprehensive Income for the Year (Refer Note 3.11)	-	-	-	-	-	-	-	-	@(0.11)	0.75	88.29	43.88	77.17	-	209.98	11.71	221.69
Dividend (including Corporate Dividend Tax) pertaining to FY 2014-15	-	-	-	-	-	-	-	-	(198.77)	-	-	-	-	-	(198.77)	(116.60)	(315.37)
Additional Non-Controlling Interest relating to outstanding share based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01
Change in Non-Controlling Interest in the Books of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.34)	(4.34)
Movement during the Year	0.65	-	-	10.40	1,406.94	26.93	0.34	-	(1,436.11)	-	-	-	-	11.94	21.09	1.65	22.74
Closing Balance as at 31st March, 2016	2.19	109.78	0.15	554.08	22,910.93	205.38	5.77	-	2,109.82	3.64	1,180.14	10.48	200.75	42.84	27,335.95	8,728.82	36,064.77

@ Represents remeasurement of defined benefit plan.

Net of Deferred Employees' Compensation Expenses ₹ 18.81 Core (Previous Year ₹ 19.95 Core, 1st April, 2015 ₹ 26.73 Core).

Significant Accounting Policies- Refer Note 1

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report on even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Akeel Master
Partner
Membership No.: 46768

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Mumbai
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Managing Director
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Whole-time Director &
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Company Secretary

B. V. Bhargava
Independent Director
DIN-00001823

M. L. Apte
Independent Director
DIN-00003656

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Grasim Industries Limited ("the Group" or "the Company") is a limited company incorporated and domiciled in India. The address of its registered office and principal place of business are disclosed in the introduction to the annual report.

The Company is engaged primarily in three businesses, Viscose Staple Fibre (VSF), Chlor-Alkali Chemicals and in Cement, through its subsidiary UltraTech Cement Limited. It also produces Rayon Grade Pulp and allied Chemicals, which are used in the manufacture of VSF. The manufacturing plants of the Company, its Subsidiaries and Joint Ventures are located in India, Canada, Sweden, China, Middle East, Sri Lanka and Bangladesh. The Company is a public limited company and its shares are listed on the Bombay Stock Exchange (BSE), India, and the National Stock Exchange (NSE), India, and the Company's Global Depository Receipts are listed on the Luxembourg Stock Exchange.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance:

These consolidated financial statements ("financial statements") are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. The Company has availed first time adoption exemption as per Ind AS 101(Refer Note 4.12 for details).

Upto the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable, and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In these financial statements for the year ended 31st March, 2017, the financial statements for the previous year ended 31st March, 2016 and Balance Sheet as at 1st April, 2015, have been prepared and presented as per Ind AS for like-to-like comparison.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 19th May, 2017.

1.2 Basis of Preparation:

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured at fair value:

- Derivative Financial Instruments (covered under para 1.18);
- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments (covered under para 1.19 and para 1.20);
- Assets held for sale - measured at the lower of its carrying amount and fair value less cost to sell; and
- Employee's Defined Benefit Plan as per actuarial valuation.

1.3 Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

1.4 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.5 Property, Plant and Equipment (PPE):

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure, incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss, arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

1.6 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding, at each reporting date, are disclosed as Capital Advances under "Other Non-Current Assets".

1.7 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis, except for Viscose Staple Fibre Division (excluding Power Plants), Nagda, and Corporate Finance Division, Mumbai, for which it is provided on written down value method, over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has used the following useful lives of the property, plant and equipment to provide depreciation.

A. Major assets class where useful life considered as provided in Schedule II:

S. No.	Nature of the Assets	Estimated Useful Life of the Assets
1	Plant and Machinery - Continuous Process Plant	25 years
2	Plant and Machinery (Other than Continuous Process Plant)	15 years
3	Reactors	20 years
4	Vessel/Storage Tanks	20 years
5	Factory Buildings	30 years
6	Building (other than Factory Buildings)	30 years

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

S. No.	Nature of the Assets	Estimated Useful Life of the Assets
7	Electric Installations	10 years
8	Computer and other Hardwares	3 years
9	General Laboratory Equipment	10 years
10	Railway Sidings	15 years
11	- Carpeted Roads - Reinforced Cement Concrete (RCC) - Carpeted Roads - other than RCC - Non Carpeted Roads	10 years 5 years 3 years

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those classes of assets. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset.

Also, useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed and depreciation has been provided accordingly.

B. Assets where useful life differs from Schedule II:

S. No.	Nature of Assets	Estimated Useful Life of the Assets
1	Motor Cars/Two Wheelers	4 - 5 years
2	Electronic Office Equipment	4 years
3	Furniture, Fixtures and Electrical Fittings	7 years
4	Motor Buses, Tractor, Trollies	5 years
5	Building	3 - 60 years
6	Office Equipments	4 years
7	Power Plant	25 years
8	Servers and Networks	3 years
9	Spares in the nature of PPE	10 - 30 years
10	Assets individually costing less than or equal to ₹ 10,000/-	Fully depreciated in the year of purchase
11	Separately identified Component of Plant and Machinery	4 - 40 Years

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Continuous process plant, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment and depreciation is provided accordingly.

Depreciation on additions is provided on a *pro-rata* basis from the month of installation or acquisition and in case of a new Project from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a *pro-rata* basis upto the month preceding the month of deduction/disposal.

1.8 Intangible Assets Acquired Separately and Amortisation:

Intangible assets with finite useful lives, that are acquired separately, are carried at cost, less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Intangible Assets and their useful lives are as under:

S. No.	Nature of Assets	Estimated Useful Life of the Assets
1	Computer Software	3 years
2	Trademarks, Technical Know-how	10 years
3	Value of License/Right to use infrastructure	10 years
4	Mining Rights	Over the period of the respective mining agreement
5	Jetty Rights	Over the period of the relevant agreement such that the cumulative amortisation is not less than the cumulative rebate availed by the Company

1.9 Internally Generated Intangible Assets - Research and Development Expenditure:

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

1.10 Non-Current Assets Classified as Held for Disposal:

Assets, which are available for immediate sale and its sale must be highly probable are classified as "Assets held for Disposal". Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets Held for Disposal". Once classified as held for disposal, such assets are no longer amortised or depreciated. Such assets are stated at the lower of carrying amount and fair value less costs to sell.

1.11 Mines Restoration Provisions:

An obligation for restoration, rehabilitation and environmental costs, arises when environmental disturbance, is caused by the development or ongoing extraction from mines. Costs, arising from restoration at closure of the mines and other site preparation work, are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised 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 costs are reviewed periodically and are adjusted to reflect known developments, which may have an impact on the cost 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, 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 a finance cost in the Statement of Profit and Loss.

1.12 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

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Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value 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 the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.13 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Raw materials, stores and spare parts and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis.

Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion, and the estimated costs necessary to make the sale.

In the absence of cost, waste/scrap is valued at estimated net realisable value.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

1.14 Leases:

Finance Lease:

As a Lessee:

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

Operating Lease:

As a Lessee:

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

As a Lessor:

The Company has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.15 Employee Benefits:

Short-Term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

Defined Contribution Plan:

Contribution payable to the recognised provident fund and approved superannuation scheme, which are substantially defined contribution plans, is recognised as expense in the Statement of Profit and Loss, as they are incurred.

The provident fund contribution, as specified under the law, is paid to the Provident Fund set-up as an irrevocable trust by the Company or to the Regional Provident Fund Commissioner. In case of the Company managed trust, the Company is liable for any shortfall in the fund assets based on the Government specified minimum rates of return. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same. Having regard to the assets of fund and the return on investments, the Company does not expect any deficiency as at the year end.

Defined Benefit Plan

The obligation in respect of defined benefit plans, which covers Gratuity, Pension and other post-employment medical benefits, are provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits:

Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss

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1.16 Foreign Currency Transactions:

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange difference, arising on re-statement of long-term monetary items that in substance forms part of the Company's net investment in non-integral foreign operations, is accumulated in Foreign Currency Translation Reserve until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

1.17 Foreign Operations:

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupee at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to Non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount of foreign exchange differences is re-allocated to NCI. When the Group disposes of only a part of its interest in an Associate or a Joint Venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount of foreign exchange differences is reclassified to the Statement of Profit and Loss.

1.18 Derivative Financial Instruments and Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company enters into derivative financial instruments, viz., foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

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Hedge Accounting:

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss, relating to the ineffective portion, is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in Statement of Profit and Loss.

1.19 Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values 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 principal or the most advantageous market must be accessible by the Company.

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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities, that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

1.20 Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement:

- **Financial Assets:**

  The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

  (a) business model for managing the financial assets, and

  (b) the contractual cash flow characteristics of the financial asset.

  A Financial Asset is measured at amortised cost if both of the following conditions are met:

  (i) the financial asset is held within a business model whose, objective is to hold financial assets in order to collect contractual cash flows, and

  (ii) the contractual terms of the financial asset give rise on specified dates to cash flows, that are solely payments of principal and interest on the principal amount outstanding.

  A Financial Asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

  (i) the financial asset is held within a business model, whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

  (ii) the contractual terms of the financial asset give rise on specified dates to cash flows, that are solely payments of principal and interest on the principal amount outstanding.

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A Financial Asset shall be classified and measured at fair value through profit or loss (FVTPL), unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Equity Investments:

All equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments other than held for trading, the Company has exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment.

Equity instruments, included within the FVTPL category, are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Cash and Cash Equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash, which are subject to insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments.

Impairment of Financial Assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments - for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivables. The Company calculates the expected credit losses on trade receivables, using a provision matrix on the basis of its historical credit loss experience.

Derecognition of Financial Assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss.

- **Financial Liabilities and Equity Instruments:**

Classification as Debt or Equity:

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities:

Financial liabilities are classified, at initial recognition:

- at Fair Value through Profit or Loss,
- 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 loans and borrowings and payables, are recognised 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.

Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (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.

Derecognition of Financial Liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

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1.21 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

(a) Sales are recognised on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sales of goods . It also includes excise duty (as it is a liability of the manufacturer, which forms part of the cost of production, irrespective of whether the goods are sold or not) and price variation based on the contractual agreement. It is measured at fair value of the consideration received net of sales tax/value added tax, discounts and volume rebates. Sales exclude self-consumption of finished goods.

(b) Income from services is recognised (net of service tax as applicable) as they are rendered, based on agreement/ arrangement with the concerned customers.

(c) Dividend income is accounted for when the right to receive the income is established.

(d) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

(e) Interest income for all financial instruments measured at fair value through other comprehensive income is recognised in the Statement of Profit and Loss.

(f) Export incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

1.22 Employee Share Based Payments:

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black Scholes Model.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to profit and loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses.

1.23 Borrowing Costs:

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

1.24 Government Grants and Subsidies:

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss.

1.25 Provision for Current and Deferred Tax:

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and the rules framed thereunder.

Deferred tax is recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

1.26 Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented with Deferred Tax Asset.

1.27 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

1.28 Segment Reporting:

- **Identification of Segments:**
  Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Company.

  Operating Segment is identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Geographical segment is identified based on geography in which major operating divisions of the Company operate.

- **Segment Policies:**
  The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

  Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

  Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

1.29 Goodwill on Consolidation

Goodwill represents the difference between the Company's share in the net worth of subsidiaries and joint ventures and the cost of acquisition at each point of time of making the investment in the subsidiaries and joint ventures. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

Goodwill that arises out of consolidation is tested for impairment at each reporting date. For the purpose of impairment testing, goodwill is allocated to the respective cash generating unit ('CGU'). The impairment loss is recognized if the recoverable amount of the of the CGU is higher of its value in use and fair value less cost to sell. Impairment losses are immediately recognised in the Statement of Profit and Loss.

1.30 Earnings Per Share (EPS):

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted-average number of equity shares outstanding during the year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted-average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.31 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(a) Judgements:

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

Classification of Idea Cellular Limited as an Associate:

The Company has 4.74% equity ownership of Idea Cellular Limited (Idea), which has been considered as an Associate of the Company. By virtue of a memorandum of understanding among certain promoter Companies (including the Company) of Idea, the Company has right to participate in the decision making process of the key policies of Idea which creates significant influence over Idea.

Classification of Madanpur (North) Coal Company Limited as Investment in an Associate:

A Joint Venture Company (JV), "Madanpur (North) Coal Company Limited", was formed by allocatees of Madanpur North Coal Block. Accordingly, under the previous GAAP, Madanpur (North) Coal Company Limited was considered as Joint Venture (JV) in the books of UltraTech Cement Limited ('UltraTech') and accounted under the proportionate consolidation method.

As per Ind AS 111, when all the parties, or a group of parties, considered collectively, are able to direct the activities that significantly affect the returns of the arrangement (i.e., the relevant activities), the parties control the arrangement collectively. Also, joint control exists only when decisions about the relevant activities require the unanimous consent of all the parties. In terms of the JV agreement between the parties, each JV partner has the right to nominate one director on the Board of Joint Venture Company and major decisions shall be taken by a majority of 75% of the directors present. Since there is no unanimous consent required from the parties, in the judgement of the management, UltraTech does not have joint control over the JV. However, considering UltraTech's representation in the Board and the extent of its ability to exercise the influence over the decision over the relevant activities, the JV has been considered as an associate and accounted under the equity method.

(b) Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- **Useful Lives of Property, Plant and Equipment:**

  The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Mines Restoration Obligation:**

  In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

- **Measurement of Defined Benefit Obligation:**

  The cost of the defined benefit gratuity plan 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.

- **Recognition of Deferred Tax Assets:**

  Availability of future taxable future profit against which the tax losses carried forward can be used.

- **Recognition and Measurement of Provisions and Contingencies:**

  Key assumptions about the likelihood and magnitude of an outflow of resources.

- **Fair Value Measurement of Financial Instruments:**

  When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgement includes consideration of input, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Share-based Payments:**

  The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

  This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

  The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.4.8.

1.32 Cash Dividend to Equity Holders of the Company:

The Company recognises a liability to make cash distributions 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 is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore

	Gross Block					Depreciation/Amortisation					Net Block
	As at 1st April 2016	Additions	Translation Difference Add/(Less)	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	Translation Difference Add/(Less)	Deductions	As at 31st March 2017	As at 31st March 2017
Current Year ended 31st March 2017											
TANGIBLE ASSETS *											
Freehold Land	3,508.16	110.25	(0.27)	1.51	**3,616.63**	-	-	-	-	-	**3,616.63**
Leasehold Land#	457.05	49.28	(0.05)	-	**506.28**	16.80	12.05	(0.01)	-	**28.84**	**477.44**
Leasehold Improvements	1.83	0.06	-	-	**1.89**	0.35	0.37	-	-	**0.72**	**1.17**
Buildings	3,466.96	308.48	(2.06)	(18.66)	**3,792.04**	221.90	168.64	(0.29)	(7.74)	**397.99**	**3,394.05**
Plant and Equipment											
Own	24,669.57	1,686.94	(31.98)	61.15	**26,263.38**	1,694.54	1,422.65	(4.13)	19.03	**3,094.03**	**23,169.35**
Given on Lease	120.60	23.93	-	1.10	**143.43**	20.52	8.31	-	-	**28.83**	**114.60**
Furniture and Fixtures	83.96	19.34	(0.17)	0.39	**102.74**	23.61	20.12	(0.11)	0.08	**43.54**	**59.20**
Vehicles	137.37	33.31	(0.33)	10.99	**159.36**	31.83	26.30	(0.10)	5.58	**52.45**	**106.91**
Office Equipment	141.40	29.37	(0.05)	1.15	**169.57**	42.49	38.92	(0.03)	0.81	**80.57**	**89.00**
Salt Pans, Reservoir and Condensers	7.41	-	-	-	**7.41**	6.57	0.47	-	-	**7.04**	**0.37**
Railway Sidings	414.32	50.78	-	5.29	**459.81**	34.35	33.81	-	0.04	**68.12**	**391.69**
Total Tangible Assets	33,008.63	2,311.74	(34.91)	62.92	**35,222.54**	2,092.96	1,731.64	(4.67)	17.80	**3,802.13**	**31,420.41**
INTANGIBLE ASSETS											
Computer Softwares	58.00	12.24	(0.22)	-	**70.02**	23.24	17.68	(0.05)	-	**40.87**	**29.15**
Value of Licence/ Right to use Infrastructure	22.36	13.75	-	-	**36.11**	10.55	2.89	-	-	**13.44**	**22.67**
Technical Know-how	2.88	-	-	-	**2.88**	0.78	0.57	-	-	**1.35**	**1.53**
Trade Mark	0.07	-	-	-	**0.07**	-	0.01	-	-	**0.01**	**0.06**
Mining Rights	126.81	46.83	-	9.47	**164.17**	6.09	8.38	-	4.88	**9.59**	**154.58**
Jetty Rights	181.18	-	-	(1.67)	**182.85**	11.05	7.86	-	-	**18.91**	**163.94**
Total Intangible Assets	391.30	72.82	(0.22)	7.80	**456.10**	51.71	37.39	(0.05)	4.88	**84.17**	**371.93**
	33,399.93	2,384.56	(35.13)	70.72	**35,678.64**	2,144.67	1,769.03	(4.72)	22.68	**3,886.30**	**31,792.34**
										Capital Work-in-Progress (including Pre-Operative Expenses)	1,296.34
										Intangible Assets under Development	0.63
										Total PPE	33,089.31

* Net Block of tangible assets amounting to ₹ 12,818.15 Crore are pledged as security against the secured borrowings

\# The Leasehold land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore

	Gross Block							Depreciation/Amortisation						Net Block
	Deemed Cost as at 1st April 2015 (Note 2.1.7)	Addition on Amalgamation of ABCIL (Note 4.18)	Addition on acquisition (Note 2.1.8)	Additions	Translation Difference Add/(Less)	Deductions	As at 31st March 2016	As at 1st April 2015	Addition on Amalgamation of ABCIL (Note 4.18)	For the Year	Translation Difference Add/(Less)	Deductions	As at 31st March 2016	As at 31st March 2016
Previous Year ended 31st March 2016														
TANGIBLE ASSETS														
Freehold Land	3,138.17	77.40	20.94	272.94	0.49	1.78	3,508.16	-	-	-	-	-	-	3,508.16
Leasehold Land#	346.43	10.17	22.87	120.46	(0.02)	42.86	457.05	-	2.79	14.17	-	0.16	16.80	440.25
Leasehold Improvements	-	-	-	1.83	-	-	1.83	-	-	0.35	-	-	0.35	1.48
Buildings	2,755.89	175.24	46.84	489.14	4.08	4.23	3,466.96	-	24.14	198.95	(0.04)	1.15	221.90	3,245.06
Plant and Equipment													-	
Own	20,717.71	1,493.96	115.06	2,447.01	68.57	172.74	24,669.57	-	330.45	1,397.92	(0.53)	33.30	1,694.54	22,975.03
Given on Lease	2.77	-	-	25.26	-	(92.57)	120.60	-	-	7.52	-	(13.00)	20.52	100.08
Furniture and Fixtures	55.99	5.20	0.04	23.46	0.31	1.04	83.96	-	4.06	19.61	(0.01)	0.05	23.61	60.35
Vehicles	108.28	9.27	-	24.34	0.11	4.63	137.37	-	3.81	29.19	-	1.17	31.83	105.54
Office Equipment	90.87	6.73	0.45	44.07	(0.02)	0.70	141.40	-	3.87	38.84	(0.01)	0.21	42.49	98.91
Salt Pans, Reservoir and Condensers	-	7.41	-	-	-	-	7.41	-	5.44	1.13	-	-	6.57	0.84
Railway Sidings	279.69	13.93	-	120.70	-	-	414.32	-	6.43	27.92	-	-	34.35	379.97
Total Tangible Assets	27,495.80	1,799.31	206.20	3,569.21	73.52	135.41	33,008.63	-	380.99	1,735.60	(0.59)	23.04	2,092.96	30,915.67
INTANGIBLE ASSETS														
Computer Softwares	32.95	3.73	-	21.02	0.61	0.31	58.00	-	2.46	21.14	-	0.36	23.24	34.76
Value of Licence/ Right to use Infrastructure	-	22.36	-	-	-	-	22.36	-	8.46	2.09	-	-	10.55	11.81
Technical Know-how	2.32	-	-	0.56	-	-	2.88	-	-	0.78	-	-	0.78	2.10
Trade Mark	-	-	-	0.07	-	-	0.07	-	-	-	-	-	-	0.07
Mining Rights	50.13	-	-	33.87	-	(42.81)	126.81	-	-	5.96	-	(0.13)	6.09	120.72
Jetty Rights	127.78	-	-	53.40	-	-	181.18	-	-	11.05	-	-	11.05	170.13
Total Intangible Assets	213.18	26.09	-	108.92	0.61	(42.50)	391.30	-	10.92	41.02	-	0.23	51.71	339.59
	27,708.98	1,825.40	206.20	3,678.13	74.13	92.91	33,399.93	-	391.91	1,776.62	(0.59)	23.27	2,144.67	31,255.26
Capital Work-in-Progress (including Pre-Operative Expenses)														1,787.30
Intangible Assets under Development														1.08
Total PPE														**33,043.64**

The Leasehold land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

		As at 31st March, 2017	As at 31st March, 2016
2.1.1	Buildings, Freehold Land and Leasehold land includes land and buildings for which title deeds are in the process of execution (Net Block)	**819.37**	1264.48
	The titles of the immovable assets transferred from ABCIL pursuant to the Scheme of Amalgamation and the immovable assets acquired from Jayshree Chemicals Ltd. are in the process of being transferred in the name of the Company (Net Block)	**102.08**	135.19
2.1.2	**Depreciation and Amortisation for the year:**		
	Add: Obsolescence	**1,769.03**	1,776.62
	Add: Impairment of Goodwill on Consolidation	**39.01**	58.99
	Less: Depreciation transferred to Pre-Operative Expenses	**1.64**	1.86
	Depreciation and Amortisation as per the Statement of Profit and Loss	**2.09**	3.68
		1,807.59	1,833.79

2.1.3 Property, Plant and Equipment include amount of ₹ 364.29 Crores (Previous Year ₹ 325.12 Crores) for assets not owned by subsidiary Company (Net Block).

2.1.4 Property, Plant and Equipment include amount of ₹ 93.05 Crores (Previous Year ₹ 91.20 Crores) for assets held on Co-ownership with other Companies (Net Block)

2.1.5 Buildings include:

- Cost of Debentures and Shares in a Company entitling the right of exclusive occupancy and use of certain premises ₹ 12.13 Crore (Previous Year ₹ 12.13 Crore).
- Workers' quarters mortgaged with state governments against subsidies received ₹ 0.01 Crore (Previous year ₹ 0.01 Crore).

2.1.6 Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016
Expenditure incurred during the year:		
Raw Materials Consumed	**1.17**	2.21
Power and Fuel Consumed	**0.29**	2.99
Salaries, Wages, Bonus, Ex-gratia, Gratuity and Provisions	**15.61**	36.77
Rent and Hire Charges	**0.10**	-
Power and Fuel	**0.48**	-
Insurance	**0.48**	0.55
Exchange Loss/(Gain)	**-**	0.85
Depreciation	**2.11**	3.68
Finance Cost	**8.97**	18.52
Other Expenses	**57.07**	40.42
	86.28	105.99
Add: Pre-Operative Expenditure Incurred upto Previous Year	**170.97**	210.02
Add: Transferred from ABCIL pursuant to Scheme of Amalgamation	**-**	0.56
Less: Pre-Operative Expenditure Allocated to PPE during the Year	**-**	10.14
Less: Trial Run Production Transferred to Inventory	**1.79**	1.26
Less: Pre-Operative Expenditure Charged to P&L during the Year	**1.87**	3.79
Less: Capitalised/Charged during the Year	**150.09**	130.41
Total Pre-Operative Expenses Pending Allocation	**103.50**	170.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1.7 Details of Gross Block and Accumulated Depreciation as per Previous GAAP as at 1st April, 2015, are as follows:

₹ in Crore

Particulars	Gross Block	Accumulated Depreciation	Net Block considered as Deemed Cost	IndAS Adjustments		Deemed Cost as per PPE Schedule
				Related to Joint Ventures	Others	
TANGIBLE ASSETS						
Freehold Land	3,180.08	-	3,180.08	(37.39)	(4.52)	3,138.17
Leasehold Land	361.00	61.38	299.62	(9.88)	56.69	346.43
Buildings	3,862.94	979.80	2,883.14	(127.28)	0.03	2,755.89
Plant and Equipment -Own	33,526.69	12,221.89	21,304.80	(676.54)	89.45	20,717.71
-Given on lease	55.43	52.65	2.78	-	(0.01)	2.77
Furniture and Fixtures	203.55	146.49	57.06	(0.59)	(0.48)	55.99
Vehicles	193.59	79.94	113.65	(5.31)	(0.06)	108.28
Office Equipment	336.31	240.55	95.76	(5.16)	0.27	90.87
Plantations	122.41	9.46	112.95	(112.95)	-	-
Railway Sidings	541.40	261.71	279.69	-	-	279.69
Total Tangible Assets	42,383.40	14,053.87	28,329.53	(975.10)	141.37	27,495.80
INTANGIBLE ASSETS						
Computer Softwares	142.35	107.37	34.98	(2.03)	-	32.95
Technical Know-how	2.50	0.18	2.32	-	-	2.32
Trade Mark	0.01	0.01	-	-	-	-
Mining Rights	72.09	21.95	50.14	(0.01)	-	50.13
Jetty Rights	221.66	93.88	127.78	-	-	127.78
Total Intangible Assets	438.61	223.39	215.22	(2.04)	-	213.18
Total Assets (A + B)	42,822.01	14,277.26	28,544.75	(977.14)	141.37	27,708.98

The Deemed Cost as on 1st April, 2015, as per the last column of above table has been considered as cost for opening financial statements as per Ind AS as on 1st April, 2015, as per transition provision in Ind AS 101, accordingly accumulated depreciation as per the previous GAAP as on 1st April, 2015, is not carried forward for Ind AS financial statements.

2.1.8 Value of PPE acquired (Ganjam, Odisha and Pundi, Andhra Pradesh, Units of Jayshree Chemicals Ltd.) during the previous year at a consideration of ₹ 206.20 Crore.

2.1.9 During the previous year, the Company has componentised fixed assets transferred to it on amalgamation of ABCIL and has separately assessed the life of major components, forming part of the main asset. Consequently, the depreciation charge for the previous year is higher by ₹ 28.87 Crore on account of higher depreciation on components.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.2 GOODWILL ON CONSOLIDATION

₹ in Crore

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
In Case of Investment in Subsidiaries:				
Carrying Cost of Investment	2,702.90		2,702.90	2,702.85
Less: Grasim's Share in Net Assets on Acquisition	793.62		793.62	793.57
		1,909.28	1,909.28	1,909.28
Goodwill arising in Consolidated Financial Statements of Subsidiary		1,085.11	1,106.24	1,053.11
		2,994.39	3,015.52	2,962.39

2.2.1 Movement in Goodwill (Ind AS 103)

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016
Balance at the beginning of the Year	3,015.52	2,962.39
Impairment of Goodwill	(1.64)	(1.86)
Effects of Foreign Currency Exchange Differences	(19.49)	54.99
Balance at end of the year	2,994.39	3015.52

2.3 NON-CURRENT FINANCIAL ASSETS - EQUITY ACCOUNTED INVESTEES

₹ in Crore

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investments in Equity Accounted Investees				
Joint Ventures				
Share in Net Assets	834.84		836.72	886.70
Goodwill/(Capital Reserve)	4.24		1.83	4.58
Equity Investments in Joint Ventures - At Cost	839.08		838.55	891.28
Impairment in value of Investments (Note 2.4.3 and balance impairment pertains to Subsidiary Company)	(38.96)		(38.96)	(11.11)
Share in Profit/Reserves of Joint Ventures	173.90		117.49	(50.67)
		974.02	917.08	829.50
Associates				
Share in Net Assets	179.96		179.96	179.96
Goodwill/(Capital Reserve)	-		-	-
Equity Investments in Associates - At Cost	179.96		179.96	179.96
Impairment in Value of Investments	(0.22)		(0.22)	(0.22)
Share in Profit/Reserves of Associates	998.07		943.36	829.03
		1,177.81	1,123.10	1,008.77
		2,151.83	2,040.18	1,838.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.4 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(Long-Term, Fully Paid up)

₹ in Crore

	Face Value	Total Nos.	As at 31st March, 2017		As at 31st March, 2016	As at 1st April, 2015
Investments in Equity Instruments						
Carried at Fair Value through Other Comprehensive Income (FVTOCI) {Note 2.4.6 (a)}						
Thai Rayon Public Company Limited, Thailand #	Thai Baht 1	13,988,570	**123.77**		102.56	70.50
P.T. Indo Bharat Rayon Co. Limited, Indonesia	US$ 100	5,000	**347.11**		258.84	247.06
Aditya Birla Ports Limited	₹ 10	50,000	**0.07**		0.05	0.05
Aditya Birla Nuvo Limited # (Note 2.4.5)	₹ 10	3,345,816	**509.25**		275.95	556.29
Larsen & Toubro Limited # *	₹ 2	2,631,869	**415.20**		320.09	23.11
Hindalco Industries Limited #	₹ 1	54,542,475	**1,064.12**		479.43	704.42
Indophil Textile Mills Inc., Philippines	Peso 10	422,496	**3.30**		3.30	3.37
Birla International Limited - Isle of Man	CHF 100	2,500	**3.96**		3.96	3.70
JSW Steel (Salav) Limited (Formerly known as Welspun Maxsteel Limited)	₹ 10	1,400,000	**0.10**		0.10	0.10
Aditya Birla Fashion & Retail Ltd # (Note 2.4.5)	₹ 10	17,398,243	**267.58**		250.01	-
Birla Management Centre Services Ltd	₹ 10	7,000	**0.01**		0.01	0.01
Others			**0.01**		0.01	0.04
				2,734.48	1,694.31	1,608.65
Carried at Fair Value through Profit or Loss (FVTPL) {Note 2.4.6 (a)}						
Aditya Birla Ports Limited	₹ 10	50,000	**0.05**		0.05	0.05
Raj Mahal Coal Mining Limited	₹ 10	1,000,000	**1.00**		1.00	1.00
Green Infra Wind Power	₹ 10	144,000	**0.14**		-	-
NU Power Wind Farm	₹ 10	20,000	**0.02**		-	-
				1.21	1.05	1.05
Investments in Preference Shares						
Carried at FVTPL {Note 2.4.6 (c)}						
Joint Ventures						
6% Cumulative Redeemable Retractable, Non-voting Preferred Shares of AV Group NB Inc., Canada, of aggregate value of Canadian Dollar 6.75 Million @	WPV	6,750,000	**20.58**		20.46	18.48
1% Redeemable Preference Shares of Aditya Group AB, Sweden, of aggregate value of USD 8 Million	WPV	160,000	**42.37**		47.13	41.45
Others						
5.25% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	2,500,000	**22.66**		20.94	19.34
4.50% Cumulative Non-Convertible Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	2,000,000	**14.10**		12.99	12.20
11% Redeemable, Cumulative Non-Convertible Preference Shares of TANFAC Industries Limited $	₹ 100	500,000	**0.76**		0.69	-
				100.47	102.21	91.47

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

	Face Value	Total Nos.		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investments in Government or Trust Securities						
Carried at Cost						
Deposited with Government Departments				-	0.02	0.02
Investments in Debentures or Bonds {Note 2.4.6 (b)} #						
Carried at FVTOCI						
Tax-Free Bonds			**157.17**		150.57	157.46
Taxable Corporate Bonds			**12.31**		13.28	15.80
				169.48	163.85	173.26
Carried at FVTPL						
Tax-Free Bonds			**500.25**		308.34	81.57
Taxable Corporate Bonds			**105.65**		100.00	-
				605.90	408.34	81.57
Carried at FVTPL						
Investments In various Mutual Funds {Note 2.4.6 (c)}#				**787.57**	300.53	69.29
Investments In various Mutual Funds (Unquoted) {Note 2.4.6 (c)}				**650.85**	2,300.31	2,065.66
				5,049.96	4,970.62	4,090.97

WPV - Without Par Value
$ Transferred from ABCIL in FY 2015-16 pursuant to the scheme of Amalgamation
# Quoted Investments
* Non transferable due to litigation upto 19th January 2016, since settled
@ w.e.f 1st April 2016, AV Cell Inc. and AV Nackawic Inc. merged into AV Group NB Inc.

2.4.1

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Aggregate Book Value of:			
Quoted Investments	**3,942.87**	2,300.76	1,678.44
Unquoted Investments	**1,107.09**	2,669.86	2,412.53
	5,049.96	4,970.62	4,090.97
Aggregate Market Value of Quoted Investments	**3,942.87**	2,300.76	1,678.44

2.4.2 Category-wise Non-Current Investments:

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Quoted:			
Financial Investments measured at FVTOCI			
Equity Shares	**2,379.92**	1,428.04	1,354.32
Debentures or Bonds	**169.48**	163.85	173.26
Sub-Total (a)	**2,549.40**	1,591.89	1,527.58
Financial Investments measured at FVTPL			
Mutual Fund	**787.57**	300.53	69.29
Debentures or Bonds	**605.90**	408.34	81.57
Sub-Total (b)	**1,393.47**	708.87	150.86
Total (a + b)	**3,942.87**	2,300.76	1,678.44

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unquoted:			
Financial Investments measured at FVTOCI			
Equity Shares	**354.56**	266.27	254.33
Sub-Total (a)	**354.56**	266.27	254.33
Financial Investments measured at FVTPL			
Equity Shares	**1.21**	1.05	1.05
Mutual Funds	**650.85**	2,300.31	2,065.66
Preference Shares	**100.47**	102.21	91.47
Sub-Total (b)	**752.53**	2,403.57	2,158.18
Financial Investments carried At Cost			
Government or Trust Securities	-	0.02	0.02
Sub-Total (c)	-	0.02	0.02
Sub-Total (a + b + c)	**1,107.09**	2,669.86	2,412.53

2.4.3 The Company holds 40% stake in Birla Lao Pulp and Plantations Company Ltd. (BLPP), a joint venture of the Company to secure pulp requirement for its VSF business at a cost of ₹ 95.71 Crore. Considering the overcapacity in both pulp and fibre businesses, it's strategic importance to the Company had diminished. Therefore, the Company provided ₹ 37.31 Crore (Current Year: ₹ Nil Crore; Previous Year: ₹ 27.85 Crore during the previous year), towards diminution, other than temporary, in the value of the said investment being the excess of the cost over the estimated enterprise value. It has been disclosed as exceptional item in the previous year.

2.4.4 The Company holds 33.33% stake in its Joint Venture, Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (ABEST), Turkey. ABEST has decided not to pursue it's project in Turkey. As ABEST plans to return the capital to it's shareholders, the Company has reclassified its investment in ABEST from Non-current Investment to Current Investment during the previous year. In the current year, ABEST has returned ₹ 42.68 Crore and the difference between Gross investment amount and actual receipt has resulted in an exchange loss of ₹ 13.52 Crore due to currency depreciation of Turkey.

2.4.5 During previous year pursuant to the Composite Scheme of Arrangement, Aditya Birla Nuvo Limited (ABNL) transferred it's branded apparel retailing division to Aditya Birla Fashion and Retail Limited (ABFRL). In terms of the Scheme, 26 fully paid up equity shares of ₹10 each of ABFRL were allotted for every 5 equity shares of ABNL.

Accordingly, 17,398,243 shares were allotted to the Company. The carrying cost of equity shares of ABNL has been apportioned to equity shares of ABFRL as acquisition cost on the basis of decrease in market value of shares of ABNL as the effect of said Composite Scheme.

2.4.6 Disclosure requirement of Ind AS 107- Financial Instruments: Disclosure

a. Equity Instruments (other than Subsidiaries, Joint Ventures and Associates)

These investments have to be fair valued either through OCI or Profit and Loss. Investments in the Holding Company have been designated on initial recognition to be measured at FVTOCI as these are strategic investments and are not intended for sale. However, few of the Equity instruments in a Subsidiary Company have been designated to be measured at FVTPL as these investments are held for trading.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b. Debentures and Bonds

Investments in Debentures or Bonds meet the contractual cash flow test as required by Ind AS 109: Financial Instruments. However, the business model of the Holding Company is such that it does not hold these investments till maturity as the Company intends to sell these investments as an when need arises. Hence, the same have been designated at FVTOCI.

Investment in Debentures and Bonds in a subsidiary Company have been designated to be measured at FVTPL as these investments are held for trading.

c. Mutual Funds and Preference Shares designated at FVTPL

Preference Shares and Mutual Funds has been designated on initial recognition at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109: "Financial Instruments", for being designated at amortised cost or FVTOCI, hence classified at FVTPL.

2.4.8 The investment in Company's Joint Ventures, AV Group NB Inc., AV Terrace Bay Inc.,Birla Jingwei Fibres Company Limited, Aditya Group AB; and its Associate, Idea Cellular Limited, are subject to maintenance of specific holding by the Company until the credit facility provided by certain lenders to respective Companies are outstanding. Without guaranteeing the repayment to the lenders, the Company has also agreed that the affairs of the Subsidiary and JVs will be managed through its nominee directors on the boards of respective borrowing companies, in such a manner that they are able to meet their respective financial obligations.

2.4.9 There are no investments in Joint Ventures and Associates that are individually material. Summarised financial information of joint ventures and associates as per Ind AS 112

₹ in Crore

	Current Year	Previous Year
Aggregate information of Joint Ventures that are not individually material		
Group's share of profit/(loss)	**148.20**	64.60
Group's share of Other Comprehensive Income	**(75.21)**	100.39
Group's share of Total Comprehensive Income	**72.99**	164.99
Aggregate information of Associates that are not individually material		
Group's share of profit/(loss)	**(18.80)**	128.42
Group's share of Other Comprehensive Income	**(0.32)**	(0.56)
Group's share of Total Comprehensive Income	**(19.12)**	127.86
2.4.10 Unrecognised share of losses of a Joint Venture as per Ind AS 112		
Unrecognised share of loss for the year	**(10.96)**	(12.68)
Unrecognised share Other Comprehensive Income for the year	**(7.66)**	5.74
Cumulative share of loss	**(30.72)**	(21.39)
[As at 1st April 2015 : ₹ (8.03) Crore]		
Cumulative share of Other Comprehensive Income	**(1.70)**	5.89

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.5 NON-CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured (Considered Good)			
Loans against House Property (Secured by way of title deeds)	**0.03**	0.03	0.04
Unsecured (Considered Good)			
Security Deposits *	**135.06**	147.89	118.82
Loans to Related Parties	**43.23**	35.98	44.92
Loans to Employees	**20.68**	16.93	18.53
	199.00	200.83	182.31

* Includes deposit of ₹ 5.25 Crore (Previous Year ₹ 5.25 Crore) given to Aditya Birla Management Corporation Pvt. Limited (ABMCPL), Directors of which include Directors of the Company. The Company is one of the Promoter members of ABMCPL, a Company limited by guarantee, which has been formed to provide a common pool of facilities and resources to its members, with a view to optimise the benefits of specialisation and minimise cost to each member. The Company's share of expenses, under the common pool, has been accounted for under the appropriate heads.

2.6 NON- CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Derivative Assets	**58.50**	263.88	525.04
Fixed Deposits with Bank with maturity more than 12 months*#	**18.02**	19.75	21.98
Advance to Employees	**-**	0.09	0.08
	76.52	283.72	547.10
* Include interest accrued			
# Lodged as security with Government Departments	**16.85**	15.46	13.37

2.7 DEFERRED TAX ASSETS (NET)

₹ in Crore

	As at 31st March, 2017	Charge for the Year	As at 31st March, 2016
Deferred Tax Assets:			
Provision for Contingencies Allowable on Payment Basis	**0.09**	(0.01)	0.10
Unabsorbed Losses	**29.78**	(1.20)	30.98
Others (Note 2.7.1)	**10.65**	1.81	8.84
	40.52	0.60	39.92
Deferred Tax Liabilities:			
Accumulated Depreciation	**20.08**	(0.80)	20.88
	20.08	(0.80)	20.88
Deferred Tax Assets (Net)	**20.44**	1.40	19.04

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

	As at 31st March, 2016	Charge for the Year	As at 1st April, 2015
Deferred Tax Assets:			
Provision for Contingencies Allowable on Payment Basis	**0.10**	0.01	0.09
Unabsorbed Losses	**30.98**	1.67	29.31
Others (Note 2.7.1)	**8.84**	6.36	2.48
	39.92	8.04	31.88
Deferred Tax Liabilities:			
Accumulated Depreciation	**20.88**	1.12	19.76
	20.88	1.12	19.76
Deferred Tax Assets (Net)	**19.04**	6.92	12.12

2.7.1 Deferred tax has been recognised on unrealised profits arising on intra-group stock transfers.

2.8 OTHER NON-CURRENT ASSETS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Advances for Purchase of Property, Plant and Equipment	**365.60**	517.19	717.72
Less: Loss Allowance	**(12.06)**	(10.44)	-
Balances with Government Authorities	**202.53**	196.38	218.22
Leasehold Land Prepayments	**31.13**	47.31	31.59
Security Deposits	**3.08**	7.37	15.24
Other Advances	**0.84**	0.92	2.10
	591.12	758.73	984.87

2.9 INVENTORIES

(Valued at lower of cost and net realisable value, unless otherwise stated)

₹ in Crore

Name of Companies	As at 31st March 2017			As at 31st March 2016			As at 1st April 2015
	In Hand	In Transit	Total	In Hand	In Transit	Total	Total
Raw Materials	**961.32**	**496.46**	**1,457.78**	855.29	456.37	1,311.66	# 1,177.03
Work-in-Progress	**491.08**	**-**	**491.08**	561.28	-	561.28	562.41
Finished Goods	**607.36**	**91.53**	**698.89**	690.53	85.95	776.48	# 717.42
Stock-in-Trade	**24.54**	**-**	**24.54**	29.44	-	29.44	17.39
Stores and Spare Parts	**918.75**	**9.17**	**927.92**	971.37	8.42	979.79	# 973.35
Fuel	**469.72**	**75.50**	**545.22**	360.72	37.62	398.34	# 808.24
By-Products	**2.78**	**-**	**2.78**	16.54	-	16.54	16.62
Waste/Scrap (valued at Net Realisable Value)	**12.17**	**-**	**12.17**	19.87	-	19.87	15.09
Others (mainly Packing Materials)	**69.69**	**1.35**	**71.04**	55.35	-	55.35	52.66
	3,557.41	**674.01**	**4,231.42**	3,560.39	588.36	4,148.75	4,340.22

includes in Transit (Raw materials ₹ 339.16 Crore, Finished Goods ₹ 320.42 Crore, Stores and Spare parts ₹ 14.21 Crore and Fuel ₹ 267.65 Crore).

The Company follows a suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for the year ₹ 8.17 Crore (31st March 2016 ₹ 13.48 Crore). Inventory values shown above are net of the provisions.

2.9.1 Working Capital Borrowings are secured by hypothecation of stocks of the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.10 CURRENT FINANCIAL ASSETS - EQUITY ACCOUNTED INVESTEES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investments in Equity Instruments			
Joint Venture (Note 2.4.4)			
Share in Net Assets	**0.47**	56.67	-
Goodwill/(Capital Reserve)	**-**	-	-
Equity Investments in Joint Venture - At Cost	**0.47**	56.67	-
Share in Profit/Reserves of Joint Venture	**3.99**	(1.36)	-
	4.46	55.31	-

2.11 CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investments in various Mutual Funds: Carried at FVPTL #	**12.30**	154.02	99.69
Investments in various Mutual Funds: Carried at FVTPL (Unquoted)	**6,871.67**	3,325.36	3,561.27
Investments in Government Securities: Carried at FVTPL #	**-**	10.36	26.18
Investments in Bonds			
Carried at FVPTL #	**109.16**	-	-
Carried at FVOCI #	**1.00**	-	-
Other Investments			
Fixed Deposit with Corporates	**-**	**45.35**	45.00
	6,994.13	**3,535.09**	3,732.14
# Quoted Investments			
2.11.1 Aggregate Book Value of:			
Quoted Investments	**122.46**	**164.38**	125.87
Unquoted Investments	**6,871.67**	**3,370.71**	3,606.27
	6,994.13	**3,535.09**	3,732.14
2.11.2 Aggregate Market Value of Quoted Investments	**122.46**	**164.38**	125.87
Aggregate Impairment in Value of Investments	**-**	**-**	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.12 TRADE RECEIVABLES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, Considered Good	526.24	561.73	492.84
Unsecured, Considered Good*	2,483.32	2,440.28	1,964.47
Doubtful	47.27	24.57	3.76
	3,056.83	3,026.58	2,461.07
Less: Loss Allowance	47.27	24.57	3.76
	3,009.56	3,002.01	2,457.31
	3,009.56	3,002.01	2,457.31
* Includes amount in respect of which the Company holds Deposits and Letters of Credit/Guarantees from Banks	191.78	213.87	235.51

2.12.1 Working Capital Borrowings are secured by hypothecation of book debts of the Company

2.13 CASH AND CASH EQUIVALENTS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with Banks			
In Current Account	55.62	48.47	56.20
In Deposit Account - Original Maturity of 3 months or less	-	1.74	25.00
In EEFC Account	8.58	11.35	5.07
Cheques on hand	28.19	50.77	37.29
Cash on Hand	1.44	1.01	1.14
	93.83	113.34	124.70

2.14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Other Balances			
Earmarked Balance with Banks			
In Government Treasury Saving Account	0.03	0.01	0.01
Unclaimed Dividend	25.43	16.59	16.15
Other Bank Balances #	2,000.00	2,000.00	-
Bank Deposits (with maturity more than 3 months but less than 12 months) $*@	187.64	177.10	282.81
Others	0.09	0.11	-
	2,213.19	2,193.81	298.97
# Earmarked for specific purpose			
$ ₹ 157.18 Crore (Previous Year ₹152.25 Crore) for specific purpose			
* Lodged as Security with Government Departments	1.13	0.76	134.42
@ Unclaimed Fractional Warrants	0.10	0.11	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.15 CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured (Considered Good)			
Loans against House Property (Secured by way of title deeds)	**0.01**	0.01	0.01
Unsecured (Considered Good, unless otherwise stated)			
Security Deposits	**119.77**	112.25	114.40
Loans to Related Parties	**35.43**	46.48	37.52
Deposits with Body Corporates	**13.50**	-	30.00
Others (include Loans to Employees, etc.)	**11.45**	16.48	14.26
	180.16	175.22	196.19

2.16 CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Derivative Assets	**157.32**	360.55	14.93
Interest Accrued on Investments	**24.24**	16.22	10.93
Advance to Employees	**7.60**	7.82	6.03
Others (Government Grants Receivable, Insurance Claims and Other Receivables)	**209.00**	212.09	175.79
	398.16	596.68	207.68

2.17 OTHER CURRENT ASSETS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with Government Authorities	**511.61**	537.90	665.86
Advance to Suppliers	**588.15**	410.41	435.34
Less: Loss Allowance	**(0.04)**	(0.04)	(0.04)
Security Deposits	**7.16**	8.78	61.38
Other Receivables and Advance to Related Parties	**0.32**	0.01	0.18
Others (include Interest Subsidy Receivables, Prepayments, etc.)	**187.48**	170.86	182.40
Less: Loss Allowance	**(0.07)**	(0.52)	(0.49)
	1,294.61	1,127.40	1,344.63

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.18 EQUITY SHARE CAPITAL

2.18.1 Authorised

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
597,500,000 Equity Shares of ₹ 2 each (Previous Year 119,500,000 of ₹ 10 each)	**119.50**	119.50	95.00
Redeemable Cumulative Preference Shares of ₹ 100 each			
150,000 15% "A" Series	**1.50**	1.50	1.50
100,000 8.57% "B" Series	**1.00**	1.00	1.00
300,000 9.30% "C" Series	**3.00**	3.00	3.00
50,000 11%	**0.50**	0.50	-
	125.50	125.50	100.50

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
2.18.2 Issued, Subscribed and Fully Paid-up			
466,837,110 Equity Shares of ₹ 2 each (Previous Year 93,346,106 Shares of ₹ 10 each) fully paid-up	**93.37**	93.35	91.86
Share Capital Suspense			
28,295 Equity Shares of ₹ 2 each (Previous Year 14,879 Shares of ₹ 10 each) to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under Scheme of Arrangement without payment being received in cash	*	0.01	0.01
	93.37	93.36	91.87

* ₹ 56,590

2.18.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

₹ in Crore

	Number of Shares		As at 31st March, 2017	As at 31st March, 2016
	Current Year	Previous Year		
Outstanding as at the beginning of the year (Pre-split)	**93,360,985**	91,867,064	**93.36**	91.87
Adjustment for Sub-Division of Equity Shares (Note 2.18.8)	**373,443,940**	-	-	-
Outstanding as at the beginning of the year (Post-split)	**466,804,925**	91,867,064	**93.36**	91.87
Issued during the year to the Shareholders of ABCIL pursuant to the Scheme of Amalgamation (Note 4.18)	-	1,461,657	-	1.46
Issued during the year under Employee Stock Options Scheme	**106,580**	32,264	**0.02**	0.03
Less: Cancellation from Shares Capital Suspense account	**46,100**	-	**0.01**	-
Outstanding as at the end of the Year	**466,865,405**	93,360,985	**93.37**	93.36

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.18.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2 per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

2.18.5 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

	Current Year		Previous Year	
	No. of Shares	% Holding	No. of Shares	% Holding
Turquoise Investments and Finance Private Limited	**29,541,705**	**6.33%**	5,908,341	6.33%
Trapti Trading and Investments Private Limited	**27,389,315**	**5.87%**	5,477,863	5.87%
Life Insurance Corporation of India	**28,952,784**	**6.20%**	6,280,468	6.73%

2.18.6	Equity Shares of ₹ 2 each (Previous Year ₹ 10 each) represented by Global Depository Receipts (GDRs) (GDR holders have voting rights as per the Deposit Agreement)	**48,534,477**	**10.40%**	12,454,572	13.34%
2.18.7	Aggregate Number of Equity Shares allotted as fully paid-up during the period of five years immediately preceding the reporting date without payment being received in cash	**1,461,684**		1,461,684	

2.18.8 During the current year, the Shareholders of the Company have approved sub-division of equity shares of the Company from one (1) equity share of face value ₹ 10 each fully paid-up to five (5) equity shares of face value ₹ 2 each fully paid-up. Accordingly, Earnings Per Share of the previous year has been recasted.

2.19 OTHER EQUITY - ATTRIBUTABLE TO OWNERS OF THE COMPANY

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Equity Component of Other Financial Instruments	**3.00**	2.19	1.54
Capital Reserve	**109.79**	109.78	70.85
Legal Reserve	**0.78**	0.15	0.15
Securities Premium Reserve	**708.06**	554.08	543.66
General Reserve	**24,608.30**	22,910.93	21,460.72
Debenture Redemption Reserve	**151.56**	205.38	178.45
Special Reserve Fund	**6.46**	5.77	5.43
Retained Earnings	**3,299.13**	2,109.82	914.34
Debt Instruments through OCI	**8.49**	3.64	2.89
Equity Instruments through OCI	**2,195.18**	1,180.14	1,091.85
Hedging Reserve	**39.36**	10.48	(33.40)
Foreign Currency Translation Reserve	**121.60**	200.75	123.58
Employee Share Options Outstanding #	**41.73**	42.84	30.90
	31,293.44	27,335.95	24,390.96

Net of Deferred Employees' Compensation Expenses ₹ 18.81 Crore (Previous Year ₹ 19.95 Crore, 1st April 2015 ₹ 26.73 Crore).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Description of the nature and purpose of each reserve within other equity is as follows:

a. **Capital Reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase. The Company's capital reserve is mainly on account of business combination of erstwhile ABCIL, Larsen & Toubro cement business and Gujarat units of Jaypee Cement Corporation Limited (JCCL).

b. **Legal Reserve:** Legal Reserve represents profit transferred as per the legal requirements in a Joint Venture of the Company.

c. **Securities Premium:** Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

d. **General Reserve**: It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

e. **Debenture Redemption Reserve (DRR):** The Group has issued redeemable Non-Convertible Debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), require to create DRR out of the profits available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

f. **Special Reserve Fund:** An amount equivalent to 20% of the profits is transferred to special reserve fund in one of the subsidiary as per Prudential Norms of RBI.

g. **Debt Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair, valuation of debt instruments measured at fair value through OCI, net of amount reclassified to profit or loss when those assets have been disposed of such instruments.

h. **Equity Instrument through OCI:** It represents the cumulative gains/(losses) arising on the revaluation of Equity Shares (other than investment in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI, net of amounts reclassified to Retained Earnings when those assets have been disposed of such instruments.

i. **Hedging Reserve:** It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.

j. **Foreign Currency Translation Reserve:** Foreign Currency Translation Reserve represents the exchange rate variation on the reporting date in respect of Joint Ventures of the Company and Subsidiaries of UltraTech, being non-integral foreign operation.

k. **Employee Share Option Outstanding:** The Company has two share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.20 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Non-Convertible Debentures {Note (a)}	**1,925.00**	650.00	1,265.00
Term Loan from Banks			
Rupee Term Loans from Banks {Note (b1)}	**688.96**	1,033.55	1,235.03
Foreign Currency Loans {Note (b2)}	**259.40**	1,496.20	1,191.16
Deferred Sales Tax Loan {Note (c)}	**-**	20.59	25.83
Unsecured			
Non-Convertible Debentures {Note (d)}	**650.00**	-	-
Term Loan from Banks			
Foreign Currency Loans {Note (e)}	**2,958.18**	2,085.98	2,248.96
Deferred Sales Tax Loans {Note (f)}	**285.74**	255.66	295.66
Long-Term Finance Lease Obligation {Note (g)}	**1.43**	2.19	-
	6,768.71	5,544.17	6,261.64

2.20.1 Nature of Security, Repayment Terms and Break-up of Current and Non Current

₹ in Crore

	Repayment Terms	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Long-Term Borrowings:				
(a) Non - Convertible Debentures (NCDs)				
7.53% NCDs (Redeemable at par on 21st August, 2026)		**500.00**	-	-
7.15% NCDs (Redeemable at par on 18th October, 2021)		**300.00**	-	-
7.57% NCDs (Redeemable at par on 6th August, 2021)		**250.00**	-	-
7.57% NCDs (Redeemable at par on 13th August, 2019)		**300.00**	-	-
7.57% NCDs (Redeemable at par on 8th August, 2019)		**175.00**	-	-
7.85% NCDs (Redeemable at par on 18th December, 2018)		**200.00**	200.00	-
7.84% NCDs (Redeemable at par on 9th April, 2018)		**200.00**	200.00	-
9.15% NCDs (Redeemable at par on 28th August, 2017)		**250.00**	250.00	250.00
8.05% NCDs (Redeemable at par on 27th January, 2017)		**-**	250.00	250.00
8.80% NCDs (Redeemable at par on 30th September, 2016)		**-**	250.00	250.00
8.90% NCDs (Redeemable at par on 8th August, 2016)		**-**	500.00	500.00
8.01% NCDs (Redeemable at par on 14th July, 2016)		**-**	15.00	15.00
8.80% NCDs (Redeemable at par on 30th December, 2015)		**-**	-	9.00
		2,175.00	1,665.00	1,274.00
Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.27)		**250.00**	1,015.00	9.00
		1,925.00	650.00	1,265.00

The NCDs are secured by way of first charge, having *pari passu* rights, on the Subsidiary's PPE (save and except stocks and book debts), both present and future, situated at certain locations, in favour of Debenture Trustees.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

	Repayment Terms	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(b) Term Loans from Banks				
(b1) Rupee Term Loans				
Rupee Term Loan secured by first charge on the PPE, both present and future, of the Company located at Nagda (Staple Fibre and Chemical Divisions), Kharach (Staple Fibre Division) and Harihar (Staple Fibre and Pulp Divisions)	Quarterly ballooning repayment from April 2010, over 8 years	**39.38**	91.88	138.76
Rupee Term Loan secured by first charge on the Plant and Machinery, both present and future, of the Company located at Vilayat (Staple Fibre Division)	Quarterly ballooning repayment from April 2014, over 5 years	**549.00**	706.50	818.99
Rupee Term Loan secured by exclusive charge on certain specific PPE of Nagda (Staple Fibre Division)	Quarterly ballooning repayment from May 2016, over 5 years	**33.93**	36.39	36.39
Rupee Term Loan secured by exclusive charge on certain specific PPE of the Company located at Nagda (Staple Fibre Division) and Harihar (Staple Fibre and Pulp Divisions)	Quarterly ballooning repayment from October 2007, over 8 years	-	-	6.68
Rupee Term Loans are Secured by first charge on movable and immovable PPE both present and future at Subsidiary's location	Quarterly ballooning repayment over 7-10 years	**17.18**	25.27	37.92
Rupee Term loans secured by way of first charge, having *pari passu* rights, on movable and immovable assets (save and except stocks and book debts), both present and future, situated at one of the Subsidiary's location.	4 semi-annual instalments beginning from May 2022	**300.00**	300.00	-
	3 annual instalments beginning from December 2015	**100.00**	175.00	250.00
	January 2017	-	200.00	200.00
		1,039.49	1,535.04	1,488.74
Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.27)		**350.53**	501.49	253.71
		688.96	1,033.55	1,235.03
(b2) Term Loan from Banks in Foreign Currency				
International Finance Corporation, Washington (US Dollar: Nil; Previous Year 4.64 Crore)	In 14-semi annual instalments beginning December 2015	-	307.61	312.50
HSBC Bank (Mauritius) Ltd., Mauritius (US Dollar 4.00 Crores; Previous Year 4.00 Crore)	February 2019	**259.40**	265.02	250.00
Sumitomo Mitsui Banking Corporation, Singapore** (US Dollar: 2.5; Previous Year Nil)	3 equal annual instalments beginning November 2015	**162.12**	-	-
J P Morgan Chase Bank N.A., Singapore* (US Dollar: Nil; Previous Year 5.00 Crore)	3 equal annual instalments beginning November 2015	-	331.28	-
DBS Bank Ltd., Singapore (Japanese Yen: Nil; Previous Year 240.00 Crore)	March 2017	-	141.56	125.10
BNP Paribas, Singapore (Japanese Yen: Nil; Previous Year 130.00 Crore)	March 2017	-	76.68	67.76
Credit Agricole Corporate & Investment Bank, Singapore (Japanese Yen: Nil; Previous Year 176.64 Crore)	December 2016	-	104.19	92.07
HSBC Bank (Mauritius) Ltd., Mauritius (US Dollar: Nil; Previous Year 0.78 Crore)	October 2016	-	51.51	48.59
HSBC Bank (Mauritius) Ltd., Mauritius (US Dollar Nil; Previous Year 5.00 Crore)	May 2016	-	331.28	312.50
Cooperative Central Raiffeisen- Boerenleen bank B.A. (Trading as Rabo International, Singapore, Japanese Yen - Nil; Previous Year Nil)	In 3 equal annual instalments beginning March 2014	-	-	46.90
Oman Arab Bank (OMR : Nil; Previous Year Nil)	In instalments from January 2017 to March 2021	-	11.10	4.95

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

	Repayment Terms	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
J P Morgan Chase Bank NA, Singapore (US Dollar - Nil; Previous Year 2.00 Crore)	December 2015	-	-	125.00
Standard Chartered Bank (US Dollar: Nil; Previous Year 12 Crore)	In instalments from July 2017 to July 2020	-	794.84	-
		421.52	2,415.07	1,385.37
Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.27)		**162.12**	918.87	194.21
		259.40	1,496.20	1,191.16

The foreign currency loans are secured by way of first charge, having pari passu rights, on the Subsidiary's movable and immovable assets (save and except stocks and book debts), both present and future, situated at certain locations, in favour of Subsidiary's lenders/trustees.

* Loan has been re-financed. In the previous year Loan from Sumitomo Mitsui Banking Corporation, Singapore was under Unsecured Loans.

** Loan was transferred from JP Morgan Chase Bank N.A., Singapore to Sumitomo Mitsui Banking Corporation, Singapore in FY 2017.

(c) Deferred Sales Tax Loans				
Department of Industries and Commerce, Haryana	Varied Annual Payments from January 2015 to February 2021	-	30.29	30.93
Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.27)		-	9.70	5.10
		-	20.59	25.83
Sales Tax Deferment Loan is secured by bank guarantee backed by hypothecation of Inventories and Book Debts of the Subsidiary.				
Total Secured Borrowings (I)		**2,873.36**	3,200.34	3,717.02
Unsecured Long-Term Borrowings:				
(d) Non-Convertible Debentures (NCDs)				
6.93% NCDs (Redeemable at par on 25th November, 2021)		**250.00**	-	-
6.99% NCDs (Redeemable at par on 24th November, 2021)		**400.00**	-	-
		650.00	-	-
(e) Term Loans from Banks in Foreign Currency				
Export Development Canada (US Dollar: 4.64 Crore; Previous Year Nil)	June 2021	**301.09**	-	
Export Development Canada (US Dollar: 5.00 Crore; Previous Year Nil)	May 2021	**324.25**	-	
Mizuho Bank,Ltd Singapore * (US Dollar 5.00 Crore; Previous Year 5.00 Crore)	December 2017	**324.25**	331.28	312.50
Bank of America NA, Taiwan (US Dollar 7.50 Crore; Previous Year 7.50 Crore)	3 equal annual instalments beginning October 2016	**324.25**	496.91	468.75
Mizuho Bank,Ltd Singapore * (US Dollar: Nil; Previous Year 7.50 Crore)	October 2016	-	496.91	468.75
Mizuho Bank,Ltd Singapore * (US Dollar: Nil; Previous Year 5.00 Crore)	May 2016	-	331.27	312.50
Mizuho Bank,Ltd Singapore * (Japanese Yen - Nil; Previous Year Nil)	March 2016	-	-	88.61
Mizuho Bank,Ltd Singapore * (Japanese Yen - Nil; Previous Year Nil)	March 2016	-	-	93.83
Sumitomo Mitsui Banking Corporation and Bank of Nova Scotia, Singapore (Japanese Yen - Nil; Previous Year Nil)	March 2016	-	-	208.50
Sumitomo Mitsui Banking Corporation, Singapore** (US Dollar - Nil; Previous Year Nil	3 equal annual instalment beginning November 2015	-	-	468.75

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₹ in Crore

	Repayment Terms	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
HSBC and SMBC	July 2015	-	-	747.15
HSBC and SMBC	July 2015	-	-	623.05
Bank of America	Jan 2018	-	-	124.63
Sumitomo Mitsui Banking Corporation	July 2019	-	-	93.48
Sumitomo Mitsui Banking Corporation	October 2019	-	-	155.85
Standard Chartered Bank (US Dollar: 21.50 Crore; Previous Year 21.50 Crore)	July 2020	**1,392.92**	1,423.44	-
Export Development Canada (US Dollars:12 Crore; Previous Year NIL)	3 equal annual instalments beginning June 2020	**777.80**	-	-
		3,444.56	3,079.81	4,166.35
Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.27)		**486.38**	993.83	1,917.39
		2,958.18	2,085.98	2,248.96

* Mizuho Bank, Ltd. was formerly known as Mizuho Corporate Bank, Ltd.

** Loan has been re-financed in March, 2016 and the same is disclosed in Secured Loan from JP Morgan Chase Bank N.A, Singapore.

(f) Deferred Sales Tax Loans				
Commercial Tax Department	Varied Annual Payments from October 2012 to October 2026	**243.98**	260.00	275.99
	Payable in FY2018	**0.11**	0.11	0.11
	Varied Annual payments from April 2012 to June 2018	**4.02**	14.92	40.02
	Repayable in six annual instalments starting from 31st May, 2012	**10.89**	21.78	32.67
	Repayable after ten years from the respective year in which the actual tax was collected, starting from 14th March, 2011	-	-	7.27
Industrial Investment Promotion Scheme - 2012 (At Amortised Cost)	Repayable on 27th March, 2022	**0.60**	0.95	-
	Repayable on 7th August, 2023	**3.33**	-	-
	Repayable on 25th December, 2023	**3.55**	-	-
Department of Industries and Commerce, Haryana	Varied Annual payments from January 2017 to March 2022	**56.12**	-	-
		322.60	297.76	356.06
Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.27)		**36.86**	42.10	60.4
		285.74	255.66	295.66
(g) Long-Term Finance Lease Obligation	Repayable after 5 years from 1st August, 2015	**2.01**	2.95	-
Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.27)		**0.58**	0.76	-
		1.43	2.19	-
Total Unsecured Borrowings (II)		**3,895.35**	2,343.83	2,544.62
Total Borrowings (I + II)		**6,768.71**	5,544.17	6,261.64

The rate of interest on borrowing ranges from 5% to 11%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.21 NON-CURRENT OTHER FINANCIAL LIABILITIES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Security and Other Deposits	**3.65**	2.80	2.09
Derivative Liability	**31.15**	-	77.62
Liability for Capital Goods	**0.01**	6.94	0.25
	34.81	9.74	79.96

2.22 NON-CURRENT PROVISIONS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
For Employee Benefits (Gratuity, Leave Encashment and Pension)	**278.53**	261.81	221.71
For Mine Restoration Expenditure {Note 2.29.1 (a)}	**91.76**	83.87	77.50
	370.29	345.68	299.21

2.23 DEFERRED TAX LIABILITIES (NET)

₹ in Crore

	As at 31st March 2017	MAT Credit Utilised	Charge for the Current Year		As at 31st March 2016
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Liabilities:					
Accumulated Depreciation	**4,837.54**	-	295.44	-	4,542.10
Fair Valuation of Investments	**253.78**	-	40.99	26.67	186.12
Others	**91.91**	-	(18.90)	-	110.81
	5,183.23	-	317.53	26.67	4,839.03
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	**16.04**	-	(151.50)	-	167.54
Expenses Allowable in Instalments in Income Tax	**21.13**	-	(3.62)	-	24.75
Provision for Contingencies Allowable on Payment Basis	**168.91**	-	156.53	-	12.38
Unabsorbed Depreciation	**56.45**	-	(24.96)	-	81.41
Income Tax Interest offered for Tax, to be claimed in future	**21.33**	-	21.33		-
MAT Credit Entitlement	**1,252.54**	(105.95)	(50.16)	-	1,408.65
Fair Valuation of Preference Shares measured at FVTPL	**4.50**	-	0.65	-	3.85
Others (including Deferred Tax on Undistributed Profits of Joint Venture and Associate)	**103.51**	-	7.04	-	96.47
	1,644.41	(105.95)	(44.69)	-	1,795.05
Deferred Tax Liabilities (Net)	**3,538.82**	105.95	362.22	26.67	3,043.98

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

	As at 31st March 2016	Transferred from ABCIL on its Amalgamation	Charge for the Current Year		As at 1st April 2015
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Liabilities:					
Accumulated Depreciation	4,542.10	133.41	557.26	-	3,851.43
Fair Valuation of Investments	186.12	-	42.50	10.30	133.32
Others	110.81	-	39.83	-	70.98
	4,839.03	133.41	639.59	10.30	4,055.73
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	167.54	2.28	25.72	-	139.54
Expenses Allowable in Instalments in Income Tax	24.75	-	24.12	-	0.63
Provision for Contingencies Allowable on Payment Basis	12.38	0.10	6.54	-	5.74
Unabsorbed Depreciation	81.41	-	(134.27)	-	215.68
MAT Credit Entitlement	1,408.65	26.77	330.68	-	1,051.20
Fair Valuation of Preference Shares measured at FVTPL	3.85	-	(1.14)	-	4.99
Others (including Deferred Tax on Undistributed Profits of Joint Venture and Associate)	96.47	-	12.97	-	83.50
	1,795.05	29.15	264.62	-	1,501.28
Deferred Tax Liabilities (Net)	3,043.98	104.26	374.97	10.30	2,554.45

2.23.1 Deferred Tax Liability (DTL) in respect of temporary differences related to undistributed earnings in subsidiaries has not been recognised, because the Company controls the dividend policy of its subsidiaries. However, the Company recognises DTL on undistributed earnings of Associate (Idea Cellular Ltd.) and Joint Venture (Bhubaneswari Coal Mining Ltd.). In respect of other Associates and Joint Ventures, the Company does not foresee any dividend distribution, hence, DTL has not been recognised.

2.24 OTHER NON-CURRENT LIABILITIES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Other Creditors	**22.21**	20.05	18.70
Deferred Revenue from Government Grant (Note 4.7.2)	**9.64**	-	-
Other Liabilities	**3.75**	2.44	2.22
	35.60	22.49	20.92

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.25 CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured - Loans repayable on demand - Cash Credits/ Working Capital Borrowings			
From Banks (secured by hypothecation of stocks and book debts of the Company)	**135.54**	763.55	742.53
Unsecured - Loans repayable on demand - Cash credits/ Working Capital Borrowings			
From Banks (includes commercial papers)	**1,022.31**	778.06	1,413.97
From Others (commercial papers)*	**-**	1,937.30	-
8.70% Non - Convertible Debentures (Redeemed at par on 10th November 2015)	**-**	-	500.00
	1,157.85	3,478.91	2,656.50
* Maximum balance outstanding during the year.	**-**	1,245.00	-

2.26 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Due to Related Parties (Note 4.8.2)	**175.32**	102.54	117.73
Due to Micro and Small Enterprises (Note 4.4.2) #	**5.11**	5.81	2.00
Others	**2,888.39**	2,287.19	2,156.86
	3,068.82	2,395.54	2,276.59

#This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.27 CURRENT - OTHER FINANCIAL LIABILITIES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current Maturities of Long-Term Debts (Note 2.20.1)	**1,285.89**	3,480.99	2,439.81
Current Maturities of Finance Lease Obligation (Note 2.20.1)	**0.58**	0.76	-
Interest Accrued but not Due on Borrowings	**149.27**	124.51	144.10
Unclaimed Dividends (Amount Transferable to Investor Education and Protection Fund, when Due)	**25.45**	16.60	16.16
Security and Other Deposits (Trade Deposits)	**27.22**	24.90	21.20
Liability for Capital Goods	**150.10**	210.41	287.59
Derivative Liability	**11.15**	42.89	89.74
Other Payables (including Retention money, liquidated damages, etc.)	**38.39**	51.41	68.17
	1,688.05	3,952.47	3,066.77

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.28 OTHER CURRENT LIABILITIES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory Liabilities	**1,045.86**	1,137.45	938.87
Security and Other Deposits	**971.92**	867.65	808.06
Advance from Customers	**254.39**	202.41	204.17
Accrued Expenses Brokerage and Discount	**1,180.04**	1,046.49	1,008.70
Deferred Revenue from Government Grant {Note 4.4.1.(c)}	**0.87**	-	-
Other Payables (including Employee Benefits Payable, Provision for Renewable Purchase Obligation, etc.)	**496.34**	388.02	289.20
	3,949.42	3,642.02	3,249.00

2.29 CURRENT - PROVISIONS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
For Employee Benefits (Leave Encashment and Pension)	**48.23**	46.20	36.08
For Assets Transfer Cost	**205.65**	222.12	138.17
	253.88	268.32	174.25

2.29.1 Movement of provisions during the year as required by Ind AS-37 "Provisions, Contingent Liabilities and Contingent Asset"

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016
(a) Provision for Mine Restoration Expenditure		
Opening Balance	**83.87**	77.50
Add: Unwinding of Interest	**7.89**	6.37
Less: Utilised during the Year	**-**	-
Closing Balance (consider as Non-current)	**91.76**	83.87
(a) Provision for Assets Transfer Cost:		
Opening Balance	**222.12**	138.17
Add: Provision during the Year *	**-**	83.95
Less: Utilisation during the Year	**16.47**	-
Closing Balance	**205.65**	222.12

* During previous year, provision for asset transfer cost related to amalgamation of ABCIL has been made based on substantial degree of estimation. Outflow against the same is expected at the time of regulatory process of registration of assets owned by ABCIL in the name of the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.30 MATERIAL PARTLY-OWNED SUBSIDIARY

Financial information of the Subsidiary that has material Non-Controlling Interest is provided below:

2.30.1 Proportion of Ownership Interest and voting rights held by Non-Controlling Interest:

₹ in Crore

Name	Country of Incorporation	As at 31st March, 2017	As at 31st March, 2016
UltraTech Cement Limited	India	**39.77%**	39.75%

2.30.2 Information regarding Non-Controlling Interest of UltraTech Cement Limited (UltraTech):

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Accumulated Non-Controlling Interest	**9,701.93**	8,728.82	7,849.79
Profit/(Loss) allocated Non-Controlling Interest	**1,078.31**	986.60	NA

2.30.3 The Summarised financial information of UltraTech Cement Limited are provided below. This information is based on amounts before inter-company elimination.

Summarised Balance Sheet as at 31st March, 2017

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-Current Assets	**28,894.04**	30,669.45	29,535.10
Current Assets	**13,324.61**	10,533.86	8,832.70
Non-Current Liabilities	**9,488.12**	7,623.99	7,853.57
Current Liabilities	**8,329.20**	11,618.24	10,776.61
Equity attributable to Owners of the Company	**24,391.62**	21,945.63	19,719.43
Equity attributable to Non-Controlling Interest	**9.71**	15.45	18.19

Summarised Statement of Profit and Loss for the year ended 31st March, 2017

₹ in Crore

	Current Year	Previous Year
Revenue	**29,294.05**	28,855.39
Expenses	**25,422.00**	25,434.09
Tax	**1,158.55**	941.69
Share in Profit of Equity Accounted Investees	**0.01**	0.01
Profit/(Loss) for the Year	**2,713.51**	2,479.62
Profit/(Loss) attributable to Owners of UltraTech	**2,714.92**	2,478.04
Profit/(Loss) attributable to Non-Controlling Interest of UltraTech	**(1.41)**	1.58
Profit/(Loss) for the Year	**2,713.51**	2,479.62

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

	Current Year	Previous Year
Other Comprehensive Income attributable to Owners of UltraTech	**30.02**	29.40
Other Comprehensive Income attributable to Non-Controlling interest of UltraTech	**0.02**	0.02
Other Comprehensive Income for the Year	**30.04**	29.42
Total Comprehensive Income attributable to Owners of UltraTech	**2,744.94**	2,507.44
Total Comprehensive Income attributable to Non-Controlling Interest of UltraTech	**(1.39)**	1.60
Total Comprehensive Income for the Year	**2,743.55**	2,509.04
Summarised Cash Flow information as at 31st March, 2017		
Net cash inflow (outflow) from Operating Activities	**4,993.46**	4,525.51
Net cash inflow (outflow) from Investing Activities	**(2,468.50)**	(3,726.71)
Net cash inflow (outflow) from Financing Activities	**(2,534.98)**	(844.02)
Net cash inflow (outflow)	**(10.02)**	(45.22)

3.1 SALE OF PRODUCTS AND SERVICES (GROSS) (NOTE 4.7.1)

₹ in Crore

	Current Year	Previous Year
Sale of Products	**39,761.41**	38,095.37
Sale of Services	**45.64**	36.42
	39,807.05	38,131.79

3.2 OTHER OPERATING REVENUES

₹ in Crore

	Current Year	Previous Year
Export Incentives	**52.54**	49.05
Insurance Claims	**31.57**	31.57
Sundry Balances Written Back (Net)	**46.68**	38.45
Rent Income	**3.26**	3.35
Scrap Sales (Net)	**88.24**	76.00
Other Miscellaneous Income (Government Grants, Insurance Claim, Sales Tax Incentive, etc.)	**217.83**	204.80
	440.12	403.22
REVENUE FROM OPERATIONS (3.1 + 3.2)	**40,247.17**	**38,535.01**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.3 OTHER INCOME

₹ in Crore

	Current Year	Previous Year
Interest Income on:		
Government and Other Securities	**35.64**	24.99
Bank Accounts and Others	**139.55**	90.76
Dividend Income from:		
Non-Current Investments (measured at FVTOCI)	**14.41**	17.89
Investments - Mutual Funds (measured at FVTPL)	**12.74**	2.13
Profit on Sale of:		
Investments (Net) - Mutual Funds (measured at FVTPL)	**91.58**	89.86
Consumer Products Division (Slump Sale)	**-**	7.72
Gain on Fair Valuation of:		
Investments measured at FVTPL	**498.67**	403.98
Exchange Rate Difference (Net)	**-**	11.17
Other Non-Operating Income (includes reversal of provision related to earlier year)	**155.19**	13.10
	947.78	661.60

3.4 COST OF MATERIALS CONSUMED

₹ in Crore

	Current Year	Previous Year
Opening Stock	**1,311.66**	1,177.03
Add: Stock Transferred from ABCIL pursuant to Scheme of Amalgamation	**-**	99.88
Add: Acquisition of Ganjam Unit of Jayshree Chemicals Ltd.	**-**	1.20
Add: Purchases and Incidental Expenses	**8,839.26**	8,495.95
Less: Sales	**4.29**	1.98
Less: Closing Stock	**1,457.78**	1,311.66
	8,688.85	8,460.42

3.5 PURCHASES OF STOCK-IN-TRADE

₹ in Crore

	Current Year	Previous Year
Chemicals	**59.68**	40.78
Grey Cement	**90.30**	99.94
Fabrics	**59.65**	79.64
Others (Branded Channel)	**414.78**	353.27
	624.41	573.63

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crore

	Current Year	Previous Year
Opening Stock		
Finished Goods	766.58	732.11
Stock-in-Trade	29.44	17.39
By-Products	16.54	16.62
Work-in-Progress	561.28	540.96
Waste/Scrap	4.89	5.07
Add: Stock Transferred from ABCIL pursuant to Scheme of Amalgamation	-	30.28
Add: Acquisition of Ganjam Unit of Jayshree Chemicals Ltd.	-	1.25
	1,378.73	1,343.68
Less: Closing Stock		
Finished Goods	694.95	766.58
Stock-in-Trade	24.54	29.44
By-Products	2.78	16.54
Work-in-progress	491.08	561.28
Waste/Scrap	4.27	4.89
	1,217.62	1,378.73
(Increase)/Decrease in Stocks	161.11	(35.05)
Add: Stock of Trial Run Production	1.79	1.27
Add: Exchange Translation Difference	(1.15)	1.94
	161.75	(31.84)

3.7 EMPLOYEE BENEFITS EXPENSES

₹ in Crore

	Current Year	Previous Year
Salaries and Wages	2,014.52	1,872.62
Contribution to Provident and Other Funds (Note 4.9.1)	127.34	118.23
Staff Welfare Expenses	112.47	121.68
Expenses on Employee Stock Option Scheme (Note 4.4.8)	11.26	15.29
	2,265.59	2,127.82

3.8 FINANCE COSTS

₹ in Crore

	Current Year	Previous Year
(Financial Liabilities measured at Amortised Cost)		
Interest Expenses #	693.94	727.86
Other Borrowing Costs	17.01	7.46
Exchange (Gain)/Loss on Foreign Currency Borrowings (Net)	0.42	1.66
	711.37	736.98
Less: Capitalised	8.97	18.89
	702.40	718.09
# Net of Interest Subsidy from Government	63.31	111.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 OTHER EXPENSES

₹ in Crore

		Current Year	Previous Year
3.9.1	**Manufacturing Expenses**		
	Consumption of Stores, Spare Parts and Components, and Incidental Expenses	**861.04**	875.49
	Consumption of Packing Materials	**917.21**	863.15
	Processing Charges	**120.78**	59.46
	Repairs to Buildings	**29.13**	36.93
	Repairs to Machinery	**703.43**	638.76
	Repairs to Other Assets	**25.44**	21.61
3.9.2	**Administration, Selling and Distribution Expenses**		
	Advertisement	**213.15**	216.69
	Sales Promotion and Other Selling Expenses	**762.19**	739.58
	Insurance	**75.13**	76.88
	Rent (including Lease Rent) (Note 4.4.3)	**163.91**	161.67
	Rates and Taxes	**173.08**	152.40
	Research Contribution and Expenses	**25.00**	23.23
	Donations (Note 3.12)	**27.47**	(0.24)
	Directors' Fees	**0.81**	0.93
	Directors' Commission	**37.16**	28.69
	Exchange Rate Difference (Net)	**23.25**	-
	Loss on Sale of Property, Plant and Equipments (Net)	**1.47**	0.58
	Assets Transfer Cost of erstwhile ABCIL (Note 2.29.1)	**-**	83.95
	Miscellaneous Expenses	**917.34**	872.06
		5,076.99	4,851.82
3.9.3	**Auditors' Remuneration (excluding Service Tax) Charged to the Statement of Profit and Loss (included under Miscellaneous Expenses)**		
	Payments to Statutory Auditors:		
	Audit Fee (including Limited Review)	**4.79**	4.73
	Tax Audit Fee	**0.22**	0.26
	Fees for Other Services	**0.21**	0.34
	Reimbursement of Expenses	**0.16**	0.06
	Payments to Cost Auditors:		
	Audit Fee	**0.26**	0.19
	Fees for Other Services # ₹ 12,874 (Previous Year ₹ 16,500)	**#**	#
	Reimbursement of Expenses	**0.01**	0.02

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.10 RECONCILIATION OF EFFECTIVE TAX RATE

₹ in Crore

	Current Year	Previous Year
Reconciliation:		
Applicable Tax Rate	**34.61%**	34.61%
Income not considered for tax purpose	**-1.17%**	-1.14%
Expenses not allowed for tax purpose	**0.80%**	1.35%
Additional allowances for tax purpose	**-2.71%**	-4.61%
Claims made for tax purpose on amalgamation	**-**	-0.70%
Tax paid at lower rate	**-1.57%**	-2.17%
Exceptional Item not considered for tax purpose	**-**	0.23%
Provision for Tax of earlier years written back	**-0.16%**	**-0.18%**
Lower Jurisdiction Tax Rate	**-0.45%**	-0.89%
Others (including dividend distribution tax on undistributed earnings)	**-0.04%**	0.80%
Effective Tax Rate	**29.31%**	27.30%

3.11 OTHER COMPREHENSIVE INCOME

₹ in Crore

	Current Year	Previous Year
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	**1,040.18**	98.28
Re-measurement of Defined Benefit Plan	**(30.14)**	0.02
Income Tax relating to Items that will not be reclassified to Profit or Loss	**(18.39)**	(11.09)
Items that will be reclassified to Profit and Loss		
Debt Instrument through Other Comprehensive Income	**6.38**	1.05
Exchange difference in translating the financial statement of foreign operations	**(89.01)**	87.69
Effective portion of derivative instruments designated as cash flow hedge	**54.31**	58.96
Income Tax relating to Items that will be reclassified to Profit or Loss	**0.11**	(13.22)
	963.44	221.69

3.12 During the current year, Donations include contribution of ₹ 26 Crore (Previous Year Nil) to Electoral Trust. The Trust uses such funds for contribution for Political purposes. During the previous year, the Company has received refund of ₹ 0.48 Crore from Electoral Trust, being undistributed balance related to earlier years.

3.13 EARNINGS PER EQUITY SHARE (EPS):

₹ in Crore

	Current Year	Previous Year
Net Profit for the Year Attributable to Equity Shareholders (₹ in Crore)	**3,167.30**	2,468.14
Basic EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2 each	**466,800,754**	# 466,700,229
Basic EPS (₹) {for Face Value of Shares of ₹ 2 each}	**67.85**	52.88
Diluted EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	**466,800,754**	466,700,229
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)	**534,979**	426,338
Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)	**467,335,733**	467,126,567
Diluted EPS (₹) {for Face Value of Shares of ₹ 2 each}	**67.77**	52.84

Adjusted for sub-division of face value of shares from ₹ 10 each to ₹ 2 each in the financial year 2016-17. Basic EPS and Diluted EPS for previous year has been recasted in accordance with the increase in number of outstanding shares on account of the sub-division of shares as stated above.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.1 PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements (CFS) comprises the Financial Statements of Grasim Industries Limited ("Company") and its Subsidiaries, Joint Ventures and Associates (herein after referred together as "the Group" or "the Company"). The CFS of the Group have been prepared in accordance with the Indian Accounting Standard on "Consolidated Financial Statements" (Ind AS-110), "Joint Arrangements" (Ind AS 111), "Disclosure of Interest in Other Entities" (Ind AS 112), "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 113 of the Companies Act, 2013.

As part of its transition to Ind AS, the Group has elected to avail the exemption under Ind AS 103 for business combinations prior to the transition date, i.e. 1st April, 2015 (Note 4.12).

(i) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of Subsidiaries are included in the Consolidated Financial Statements from the date on which controls commences until the date on which control ceases.

The financial statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating material intra-group balances and intra-group transactions and resulting unrealised profits or losses on intra-group transactions.

The difference between the costs of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the Subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

(ii) Non-Controlling Interest (NCI):

Non-controlling interest in the net assets of the consolidated subsidiaries consists of:

a) The amount of equity attributable to non-controlling shareholders at the date on which the investment in the subsidiary companies were made.

b) The non-controlling share of movements in equity since the date the parent - subsidiary relationship comes into existence.

The Total comprehensive income of Subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interest having deficit balance.

(iii) Loss of Control:

When the Group loses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

(iv) Equity Accounted Investees:

The Group's interests in equity accounted investees comprise interest in Associates and Joint Ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A Joint Venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in Associates and joint ventures are accounted for using equity method. They are initially recognised at cost, which include transaction costs. Subsequent to initial recognition, Consolidated Financial Statements

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

When the Group's share of losses of an equity accounted investee exceed the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture.

Unrealised gains resulting from the transaction between the Group and Joint Ventures are eliminated to the extent of the interest in the joint venture and deferred tax is made on the same.

The CFS are prepared using uniform significant accounting policies for like transactions and other events in similar circumstances, to the extent possible.

The financial statements of the Company, its Subsidiaries, Joint Ventures and Associates used in the consolidation procedure are drawn upto the same reporting date, i.e., 31st March, 2017.

The CFS includes six Joint Ventures (JVs), and seventeen Subsidiaries, incorporated outside India, whose Financial Statements have been restated in Indian Rupees, considering them as non-integral part of the Group's operations. In translating the Financial Statements of such Companies for incorporation in the Financial Statements, the assets and liabilities, both monetary and non-monetary, are translated at closing exchange rate, all Income and Expenses are translated at exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction, and resulting exchange differences are accumulated in Foreign Currency Translation Reserve.

4.2 The CFS are comprised of the Audited Financial Statements (except as mentioned otherwise) of the Company, its Subsidiaries and its interest in Joint Ventures and Associates for the year ended 31st March, 2017, which are as under:

Name of the Company	Note	Abbre-viation	Country of Incorporation	Grasim's Ownership Interest %			% Shareholding and Voting Power along with Subsidiaries		
				31.3.2017	31.3.2016	1.04.2015	31.3.2017	31.3.2016	1.04.2015
Subsidiaries:									
Sun God Trading And Investments Limited		SGTIL	India	**100.00**	100.00	100.00	**100.00**	100.00	100.00
Samruddhi Swastik Trading And Investments Limited		SSTIL	India	**100.00**	100.00	100.00	**100.00**	100.00	100.00
Grasim Bhiwani Textiles Limited		GBTL	India	**100.00**	100.00	100.00	**100.00**	100.00	100.00
Aditya Birla Chemicals (Belgium) BVBA		ABCB	Belgium	**99.97**	99.97	-	**99.97**	99.97	-
UltraTech Cement Limited		UltraTech	India	**60.23**	60.25	60.25	**60.23**	60.25	60.25
Dakshin Cements Limited	*	DCL	India	**60.23**	60.25	60.25	**100.00**	100.00	100.00
UltraTech Cement Lanka Private Limited	*	UTCLPL	Sri Lanka	**48.18**	48.20	48.20	**80.00**	80.00	80.00
Harish Cement Limited	*	HCL	India	**60.23**	60.25	60.25	**100.00**	100.00	100.00
UltraTech Cement Middle East Investments Limited	*	UCMEIL	UAE	**60.23**	60.25	60.25	**100.00**	100.00	100.00
PT UltraTech Mining Indonesia	*^%	PUMI	Indonesia	**48.18**	48.20	48.20	**80.00**	80.00	80.00
UltraTech Cement SA (PTY)	*^	UCSA	South Africa	**60.23**	60.25	60.25	**100.00**	100.00	100.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the Company	Note	Abbre-viation	Country of Incorporation	Grasim's Ownership Interest %			% Shareholding and Voting Power along with Subsidiaries		
				31.3.2017	31.3.2016	1.04.2015	31.3.2017	31.3.2016	1.04.2015
PT UltraTech Investments Indonesia	*^+	PTUCIA	Indonesia	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Star Cement Co. LLC	#$	SCCLD	UAE	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Star Cement Co. LLC, Ras-Al-Khaimah	#$	SCCLRAK	UAE	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Al Nakhla Crusher LLC, Fujairah	#$	ANCL	UAE	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Arabian Cement Industry LLC, Abu Dhabi	#$	ACIL	UAE	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Arabian Gulf Cement Co WLL, Bahrain	#~	AGCCW	Bahrain	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Emirates Power Company Ltd.	#	EPCL	Bangladesh	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Emirates Cement Bangladesh Ltd.	#	ECBL	Bangladesh	**60.23**	60.25	60.25	**100.00**	100.00	100.00
UltraTech Cement Mozambique Limitada	#@	UTCMEIL	Mozambique	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Gotan Limestone Khanij Udyog Private Ltd.	*	GKU	India	**60.23**	60.25	60.25	**100.00**	100.00	100.00
PT UltraTech Cement Indonesia	^!	PTUCI	Indonesia	**59.63**	59.65	59.65	**99.00**	99.00	99.00
Bhagwati Lime Stone Company Private Limited	*	BLCPL	India	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Awam Mineral LLC, Oman	#	AML	Oman	**30.72**	30.73	30.73	**51.00**	51.00	51.00
PT UltraTech Mining Sumatera	^!	PTUMS	Indonesia	**60.23**	60.25	60.25	**100.00**	100.00	100.00
Joint Venture Companies (JVs):									
AV Cell Inc.	**	AVC	Canada	-	45.00	45.00	-	45.00	45.00
AV Nackawic Inc.	**	AVN	Canada	-	45.00	45.00	-	45.00	45.00
AV Group NB Inc.	**	AVNB	Canada	**45.00**	-	-	**45.00**	-	-
Birla Jingwei Fibres Co. Limited		BJFC	China	**26.63**	26.63	26.63	**26.63**	26.63	26.63
Birla Lao Pulp & Plantations Company Limited	^	BLPP	Laos	**40.00**	40.00	40.00	**40.00**	40.00	40.00
Bhubaneswari Coal Mining Limited		BCML	India	**26.00**	26.00	26.00	**26.00**	26.00	26.00
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi		ABEST	Turkey	**33.33**	33.33	33.33	**33.33**	33.33	33.33
Bhaskarpara Coal Company Limited	*^	BCCL	India	**28.53**	28.54	28.54	**47.37**	47.37	47.37
Aditya Group AB		AGAB	Sweden	**33.33**	33.33	33.33	**33.33**	33.33	33.33
AV Terrace Bay Inc.		AVTB	Canada	**40.00**	40.00	40.00	**40.00**	40.00	40.00
Associates:									
Aditya Birla Science & Technology Co. Private Ltd.		ABSTCL	India	**39.00**	39.00	39.00	**39.00**	39.00	39.00
Idea Cellular Ltd.		Idea	India	**4.74**	4.75	4.75	**4.74**	4.75	4.75
Madanpur (North) Coal Company Private Limited	*^	MCCPL	India	**6.73**	6.73	6.73	**11.17**	11.17	11.17

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Symbols in the Note column above are explained as below:

Symbol	Note
*	Subsidiaries/Joint Venture/Associate of UltraTech
#	Subsidiaries of UCMEIL
@	90% Shareholding of UCMEIL
!	Subsidiary of PT UltraTech Investments, Indonesia
^	Unaudited Accounts Considered
+	5% Shareholding of UCMEIL
%	4% Shareholding of UCMEIL
$	51% held by nominee as required by local law for beneficial interest of the Group
~	1 share held by employee as nominee for beneficial interest of the Group
**	w.e.f 1st April 2016, AV Cell Inc. and AV Nackawic Inc. merged into AV Group NB Inc.

4.2.1 Amounts and other data pertaining to the Subsidiary Companies and Joint Ventures have been reclassified, wherever necessary, to bring them in line with the Company's Financial Statements.

Notes on Accounts of the financial statements of the Company, its Subsidiaries and its interest in Joint Ventures and Associates are set out in their respective financial statements.

4.3 SIGNIFICANT EVENTS DURING THE YEAR:

4.3.1 During the current year, the Company has acquired 80 additional shares of Birla Lao Pulp and Plantations Company Limited at a cost of ₹ 0.53 Crore (Previous Year ₹ 3.94 Crore). There has been no change in the Ownership Percentage on account of this additional investment.

4.3.2 Acquisition of Identified Cement Units of Jaiprakash Associates Limited:

The Board of Directors of UltraTech has approved a Scheme of Arrangement between Ultratech, Jaiprakash Associates Limited ("JAL"), Jaypee Cement Corporation Limited and their respective shareholders and creditors ("the Scheme") for the acquisition of identified cement plants situated in the states of Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Uttarakhand and Andhra Pradesh, having a capacity of 21.20 mtpa at an enterprise value of ₹ 16,189 Crore.

The Scheme has received the sanction of the National Company Law Tribunal, Mumbai Bench and the Allahabad Bench and also by the Securities and Exchange Board of India. The Scheme will be made effective by the Board of Directors of UltraTech, JAL and JCCL upon receipt of the remaining approvals.

4.3.3 The Supreme Court of India has allowed an appeal filed by the State of Rajasthan in a matter relating to transfer of mining lease in the name of the UltraTech's wholly-owned subsidiary, Gotan Lime Stone Khanij Udyog Private Limited ("GKUPL") and has directed the State of Rajasthan to frame and notify its policy relating to transfer of mining lease and thereafter pass appropriate order in respect of the mining lease of GKUPL. The State Government has notified the new policy related to transfer of mining lease, based on which the UltraTech is in the process of making an application for the transfer of mines.

4.4 ADDITIONAL INFORMATION DETAILS

4.4.1 Government Grants (Ind AS 20)

(a) Other Operating revenue (Note 3.2) includes incentives against capital investments received by UltraTech Cement Limited amounting to ₹ 126.38 Crore (Previous Year ₹ 135.86 Crore) under the State Investment Promotion Scheme.

(b) Interest, Wage Expenses and Repairs to plant and machinery are net of subsidy received by UltraTech Cement Limited [under State Investment Promotion Scheme] of ₹ 26.91 Crore (Previous Year ₹ 65.10 Crore), ₹ 3.70 Crore (Previous Year ₹ 7.11 Crore) and of ₹ 1.55 Crore (Previous Year NIL) respectively.

(c) Sales Tax deferment loan granted under State Investment Promotion Scheme has been considered as a government grant and the difference between the fair value and nominal value as on date being recognised as an income. Accordingly, an amount of ₹ 18.23 Crore (31st March, 2016: ₹ 2.24 Crore)

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has been recognised as an income. Unwinding of interest is accounted as charge to the Statement of Profit and Loss.

4.4.2 Details relating to Micro, Small and Medium Enterprises:

₹ in Crore

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a)	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	**5.11**	5.81	2.00
(b)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
(d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(f)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

4.4.3 Assets taken on Operating Lease (Ind AS 17):

₹ in Crore

		Current Year	Previous Year
1	Operating Lease Payments recognised in the Statement of Profit and Loss	**163.91**	161.67
2	The total of future minimum lease payments under non-cancellable operating leases are as follows:		
	For a period not later than one year	**19.74**	21.70
	For a period later than one year and not later than five years	**64.60**	69.99
	For a period later than five years	**111.92**	124.89
3	General Description of Leasing Agreements:		
	(i) Lease Assets: Land, Godowns, Offices, Flats and Others		
	(ii) Future Lease Rentals are determined on the basis of agreed terms		
	(iii) At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.		
	(iv) Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.		

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The Company has given certain assets on lease for which the rental income earned during the year is ₹ 3.26 Crore (Previous Year ₹ 3.35 Crore).

4.4.4 Assets Held for Disposal (Ind AS 105):

The Company has identified certain assets to be disposed off like Chimneys, Hot Gas Filter, Heat Exchanger, Waste Heat Boilers, Pipelines, Sulphur Furnace, Packaging Plant, DG Set, Vertical Roller Press Mill, etc., which are not in use by the Company. The Company is in the process of discussion with various potential buyers and expects the same to be disposed off within the next twelve months.

4.4.5 Distribution Made and Proposed (Ind AS 1):

₹ in Crore

	Current Year	Previous Year
Cash Dividends on Equity Shares Declared and Paid:		
Final Dividend for the year ended on 31st March, 2016: ₹ 22.50 per share of face value of ₹ 10 each (31st March, 2015: ₹ 18.00 per share of face value of ₹ 10 each)	**210.05**	165.36
Dividend Distribution Tax on Final Dividend	**10.79**	3.37
Total Cash outflow on account of Dividend and Tax thereon	**220.84**	168.73
Proposed Dividends on Equity shares:		
Final Dividend for the year ended on 31st March, 2017: ₹ 5.50/- per share of face value of ₹ 2 each (31st March, 2016: ₹ 22.50 per share of face value of ₹ 10 each)	*** 256.76**	210.03
Dividend Distribution Tax on Proposed Dividend	*** 18.61**	10.78
Total Proposed Dividend and Tax thereon	*** 275.37**	220.81

* Amount of dividend distribution for the current year is subject to change on account of issue of equity shares by the Company to the shareholders of Aditya Birla Nuvo Limited (ABNL) in terms of the Scheme of Arrangement for amalgamation of ABNL with the Company (Note 4.19).

4.4.6 Disclosure of Specified Bank Notes:

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below

₹ in Crore

	Specified Bank Notes (₹ 1000 and ₹ 500)*	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November, 2016	0.63	0.13	0.76
(+) Permitted Receipts	0.14	1.69	1.83
(-) Permitted Payments	(0.01)	(1.33)	(1.34)
(+) Amount Withdrawn from Banks	-	0.01	0.01
(-) Amount Deposited in Banks	(0.76)	(0.13)	(0.89)
Closing Cash in Hand as on 30th December, 2016	-	0.37	0.37

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs, number S.O. 3407(E), dated the 8th November, 2016.

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4.4.7 Capital Management (Ind AS 1):

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

₹ in Crore

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Total Debt (Bank and Other Borrowings)	**9,213.03**	12,504.83	11,357.95
Less: Liquid Investments including bank deposits	**11,410.57**	8,902.08	6,426.45
Net Debt	**(2,197.54)**	3,602.75	4,931.50
Equity	**41,088.74**	36,158.13	32,332.62
Net Debt to Equity	-	0.10	0.15

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

4.4.8 1,152,595 Equity Shares of Face Value of ₹ 2 each (Previous Year 241,426 shares of ₹ 10 each) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006) and Employee Stock Option Scheme, 2013 (ESOS-2013)

4.4.8.1 a. Under the ESOS-2006, the Company has granted 1,533,375 Options to its eligible employees, the details of which are given hereunder:

The number of options have been adjusted for the sub- division of face value of shares from ₹10 each to ₹ 2 each during the current financial year.

	Options				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
No. of Options Granted	1,007,650	83,050	356,485	30,185	56,005
Grant Date	23rd August, 2007	25th January, 2008	30th August, 2010	2nd June, 2011	18th October, 2013
Grant Price (₹ Per Share)	386	577	288	319	546
Revised Grant Price*	305	456	N.A.	N.A.	N.A.
Market Price on the Date of Grant (₹)	546	577	404	466	543
Fair Value on the Date of Grant of Option (₹ Per Share)	208	174	226	252	197
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Intrinsic value for options vested before 1st April 2015, and Fair value for options vested after 1st April 2015				
Graded Vesting Plan	25% every year, commencing after one year from the date of grant				
Vesting Condition	NA	NA	NA	NA	Achievement of threshold level of budgeted EBITDA
Normal Exercise Period	5 years from the date of vesting				

*The Grant Price in respect of Tranches I and II was revised in the Financial Year 2010-11 as per the Scheme of Demerger of Cement Business.

b. **b. Under the ESOS-2013, the Company has granted 1,044,245 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:**

The number of options and RSUs have been adjusted for the sub- division of face value of shares from ₹10 each to ₹ 2 each during the current financial year.

	Options					Restricted Stock Units					
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
No. of Options / RSU Granted	627,015	59,905	121,750	30,440	17,045	93,495	40,420	31,010	16,665	4,165	2,335
Grant Date	18th October, 2013	29th January, 2014	15th January, 2016	2nd April, 2016	24th May, 2016	18th October, 2013	21st November, 2013	29th January, 2014	15th January, 2016	2nd April, 2016	24th May, 2016
Grant Price (₹ Per Share)	543	519	700	771	842	2	2	2	2	2	2
Market Price on the Date of Grant (₹)	543	519	700	771	842	543	522	519	700	771	842
Fair value on the date of Grant of option (₹ per share)	199	191	274	291	315	520	498	495	687	750	821
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Intrinsic value for options vested before 1st April 2015 and Fair value for options vested after 1st April 2015					Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	25% every year, commencing after one year from the date of grant					100% on completion of three years from the date of grant					
Vesting Condition	Achievement of threshold level of budgeted EBITDA					NA	NA	NA	NA	NA	NA
Normal Exercise Period	5 years from the date of vesting					5 years from the date of vesting					

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4.4.8.2 Movement of Options and RSUs Granted along with Weighted Average Exercise Price (WAEP)

	Number of Options and RSUs			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	**241,426**	**2,205**	252,175	2,010
Adjustment for Sub-Division of Equity Shares (Note 2.14.8)	**965,704**	**-**	-	-
Outstanding at the beginning of the year (Post-split)	**1,207,130**	**441**	252,175	2,010
Granted during the year	**53,985**	**701**	27,683	3,080
Exercised during the year	**106,580**	**248**	32,264	1,628
Lapsed during the year	**1,940**	**2**	6,168	1,159
Outstanding at the end of the year	**1,152,595**	**472**	241,426	2,205
Options: Unvested at the end of the year	**339,550**	**583**	127,911	2,173
Exercisable at the end of the year	**813,045**	**425**	113,515	2,242

The weighted average share price at the date of exercise for options was ₹ 944 per share (March 31, 2016 ₹ 3500 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 3.1 years (March 31,2016: 3.3 years).

4.4.8.3 Fair Valuation

The fair value of options used to compute proforma net income and earnings per equity share has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model.

The Key Assumptions in Black-Scholes Model for calculating fair value as on the date of grant are:

ESOS-2006	Options				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Risk-Free Rate	7.78%	7.78%	7.78%	8.09%	8.58%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period				
Expected Volatility *	33.00%	36.00%	45.64%	31.73%	24.01%
Dividend Yield	1.84%	1.80%	1.58%	0.61%	1.03%

The weighted-average fair value of the option, as on the date of grant, works out to ₹ 211 per stock option (Previous Year ₹ 211 per stock option).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ESOS-2013	Options					Restricted Stock Units					
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Risk-Free Rate	8.58%	8.87%	7.87%	7.60%	7.49%	8.66%	8.90%	9.00%	7.96%	7.78%	7.75%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period					5.50	5.50	5.50	5.50	5.50	5.50
Expected Volatility *	24.01%	23.47%	28.26%	27.96%	27.43%	24.01%	23.76%	23.47%	28.52%	28.41%	28.01%
Dividend Yield	1.03%	1.10%	0.36%	0.52%	0.48%	1.34%	1.40%	1.43%	0.34%	0.51%	0.47%

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 215 per stock option and ₹ 539 per RSU. (Previous Year ₹ 1049 per stock option and ₹ 2646 per RSU)

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSUs up to the date of grant

4.4.8.4 Employee Stock option expense recognised in Statement of Profit or Loss ₹ 11.26 Crore (Previous year ₹ 15.29 Crore)

4.5 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

4.5.1 Claims/Disputed Liabilities not acknowledged as Debts

₹ in Crore

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Customs Duty	**178.46**	136.67	132.65
Sales Tax/Purchase Tax/VAT	**351.56**	327.42	307.89
Excise Duty/Cenvat Credit/Service Tax	**1,123.73**	942.27	813.57
Entry Tax	**10.58**	-	-
Various Claims in respect of disputed liabilities of the Discontinued Business in earlier years	-	26.58	191.14
Royalty on Limestone/Marl/Shale	**201.54**	314.10	294.58
Annual minimum guarantee charges and fuel surcharge demanded by State Electricity Board	-	-	-
Others Statues	**645.81**	631.67	360.16

Cash outflows for the above are determinable only on receipt of judgements pending at various forums/ authorities.

4.5.2 Other Money for which the Company is Contingently Liable:

Customs Duty Liability (Net of Cenvat Credit) which may arise if obligation for exports is not fulfilled against import of raw materials and machinery	**1.55**	0.81	12.41

4.5.3 UltraTech has filed an appeal with the Competition Appellate Tribunal ("COMPAT") against two orders of the Competition Commission of India ("CCI"), dated 31st August, 2016 and 19th January, 2017 respectively and as per the directions of COMPAT, has deposited ₹ 117.55 Crores, being 10% of the penalty imposed by CCI under its Order dated 31st August, 2016. COMPAT has since granted a stay on both the CCI orders. Based on legal opinion, UltraTech believes that it has a good case and therefore no provision has been made in the accounts.

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4.5.4 In respect of Idea:

On 8th January, 2013, Department of Telecommunication (DoT) issued demand notices towards one time spectrum charges:

- for spectrum beyond 6.2 Mhz in respective services areas for retrospective period from 1st July 2008 to 31st December 2012, the Group share amounting to ₹ 17.49 Crore; and

- for spectrum beyond 4.4 Mhz in respective services areas effective 1st January 2013 till expiry of the period as per respective licenses, Group share amounting to ₹ 82.69 Crore.

In the opinion of Idea, inter-alia, the above demands amount to alteration of financial terms of the licenses issued in the past. Idea had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT not to take any coercive action until the matter is further heard. No effect has been given in the Consolidated Financial results for the above.

4.5.5 Corporate Guarantees issued by Subsidiary as under:

₹ in Crore

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a.	To Financial Institutions/Government Authorities/ Others for finance provided to Joint Ventures	**4.00**	4.00	4.00
b.	To Government Authority towards exemption for payment of Excise Duty	**3.00**	3.00	3.00
c.	To Bank, for assistance in arrangement of interest bearing loan to Jaiprakash Associates Ltd. as per their request with approval of Board.	**500.00**	500.00	500.00
4.5.6	Bills Discounted with Banks fully covered by Buyers' Letter of Credit	**4.50**	4.87	6.25

4.6 CAPITAL AND OTHER COMMITMENTS

₹ in Crore

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
4.6.1	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid)	**1,219.00**	1,089.13	1,622.84

4.7 OPERATING SEGMENTS

4.7.1 Details of Products included in each of the Segment are as under:

Fibre and Pulp	-	Viscose Staple Fibre and Wood Pulp
Chemicals	-	Caustic Soda, Allied Chemicals and Epoxy
Cement	-	Grey Cement, White Cement and Allied Products
Others	-	Mainly Textiles

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Information about Operating Segments for Current Year:

₹ in Crore

	Fibre & Pulp	Chemicals	Cement	Others	Eliminations	Total
REVENUE						
Gross Sales (External)	7,600.37	3,405.51	28,355.55	445.62	-	39,807.05
Gross Sales (Inter-Segment)	36.80	704.60	7.06	0.60	(749.06)	-
Total Gross Sales (Note 3.1)	**7,637.17**	**4,110.11**	**28,362.61**	**446.22**	**(749.06)**	**39,807.05**
Other Income (including Other Operating Revenues)	101.51	79.15	484.47	24.20	(15.55)	673.78
Unallocated Corporate Other Income						714.12
Total Other Income	**101.51**	**79.15**	**484.47**	**24.20**	**(15.55)**	**1,387.90**
Total Revenue	**7,738.68**	**4,189.26**	**28,847.08**	**470.42**	**(764.61)**	**41,194.95**
RESULTS						
Segment Results (PBIT)	**1,206.10**	**639.94**	**4,065.25**	**14.95**	**(4.63)**	**5,921.61**
Unallocated Corporate Income/ (Expenses)						603.71
Finance Costs						(702.40)
Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees						**5,822.92**
Share in Profit of Joint Ventures and Associates						129.40
Profit Before Tax						**5,952.32**
Current Tax						1,346.00
Deferred Tax						360.71
Profit After Tax						**4,245.61**
Less: Non-controlling Interest						(1,078.31)
Net Profit						**3,167.30**
OTHER INFORMATION						
Segment Assets	**5,960.08**	**4,418.77**	**37,316.20**	**364.99**	**(14.50)**	**48,045.54**
Unallocated Corporate Assets						14,722.05
Total Assets						**62,767.59**
Segment Liabilities	**1,886.22**	**683.28**	**14,472.26**	**181.43**	**(7.08)**	**17,216.11**
Unallocated Corporate Liabilities						4,462.74
Total Liabilities						**21,678.85**
Additions to Non-Current Assets	**204.64**	**228.52**	**1,293.70**	**10.06**	**-**	**1,736.92**
Unallocated Corporate Capital Expenditure						3.02
Total Additions Non-Current Assets						**1,739.94**
Depreciation and Amortisation	**232.99**	**201.05**	**1,348.41**	**13.11**	**-**	**1,795.56**
Unallocated Corporate Depreciation and Amortisation						12.03
Total Depreciation and Amortisation						**1,807.59**
Significant Non-Cash Expenses other than Depreciation and Amortisation						**58.53**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Information about Operating Segments for Previous Year:

₹ in Crore

	Fibre & Pulp	Chemicals	Cement	Others	Eliminations	Total
REVENUE						
Gross Sales (External)	6,423.04	3,106.43	28,111.91	490.41	-	38,131.79
Gross Sales (Inter-Segment)	45.43	607.34	6.29	0.17	(659.23)	-
Total Gross Sales (Note 3.1)	6,468.47	3,713.77	28,118.20	490.58	(659.23)	38,131.79
Other Income (including Other Operating Revenues)	99.61	58.80	345.28	21.37	(10.52)	514.54
Unallocated Corporate Other Income						550.28
Total Other Income	99.61	58.80	345.28	21.37	(10.52)	1,064.82
Total Revenue	6,568.08	3,772.57	28,463.48	511.95	(669.75)	39,196.61
RESULTS						
Segment Results (PBIT)	693.88	461.39	3,596.21	10.14	(3.73)	4,757.89
Unallocated Corporate Income/ (Expenses)						474.37
Finance Costs						(718.09)
Profit Before Share in Profit/(Loss) of Equity Accounted Investees, Exceptional Item and Tax						4,514.17
Share in Profit of Joint Ventures and Associates						193.02
Profit Before Exceptional items and Tax						4,707.19
Exceptional Items						(27.85)
Profit Before Tax						4,679.34
Current Tax						855.87
Deferred Tax						368.73
Profit After Tax						3,454.74
Less: Non-Controlling Interest						(986.60)
Net Profit						2,468.14
OTHER INFORMATION						
Segment Assets	5,821.45	4,287.66	37,910.87	376.50	(11.16)	48,385.32
Unallocated Corporate Assets						11,210.16
Total Assets						59,595.48
Segment Liabilities	1,771.38	1,302.81	16,328.06	191.02	(6.19)	19,587.08
Unallocated Corporate Liabilities						3,850.27
Total Liabilities						23,437.35
Additions to Non-Current Assets	183.26	400.06	2,095.16	9.42	-	2,687.90
Unallocated Corporate Capital Expenditure						34.75
Total Additions Non-Current Assets						2,722.65
Depreciation and Amortisation	229.25	201.77	1,377.17	12.00	-	1,820.19
Unallocated Corporate Depreciation and Amortisation						13.60
Total Depreciation and Amortisation						1,833.79
Significant Non-Cash Expenses other than Depreciation and Amortisation						**74.66**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Fibre & Pulp	Chemicals	Cement	Others	Eliminations	Total
Information about Business						
Segments as at 1st April, 2015:						
Segment Assets	**5,980.83**	**2,150.05**	**35,313.01**	**394.83**	**(9.65)**	**43,829.07**
Unallocated Corporate Assets						10,104.86
Total Assets						**53,933.93**
Segment Liabilities	**1,814.50**	**234.11**	**5,807.87**	**211.11**	**(5.44)**	**18,062.15**
Unallocated Corporate Liabilities						3,539.16
Total Liabilities						**21,601.31**

4.7.2 Geographical Segments

The Company's operating facilities are located in India.

₹ in Crore

	Current Year	Previous Year
Segment Revenues (Gross Sales):		
India	**35,173.16**	33,977.12
Rest of the World	**4,633.89**	4,154.67
Total	**39,807.05**	38,131.79
Addition to Non-Current Assets		
India	**1,606.98**	2,600.24
Rest of the World	**129.92**	87.66
Total	**1,736.90**	2,687.90

4.7.3 The Carrying Amount of Non-Current Operating Assets by location of Assets:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-Current Assets			
India	**31,235.61**	31,357.23	29,084.24
Rest of the World	**2,444.82**	2,445.14	2,308.01
Total	**33,680.43**	33,802.37	31,392.25

4.8 RELATED PARTY TRANSACTIONS:

4.8.1 Related Parties with whom transactions have taken place during the year:

Joint Ventures:

AV Group NB Inc., Canada
Birla Jingwei Fibres Company Limited, China
Birla Lao Pulp & Plantations Company Limited, Laos
Aditya Group AB, Sweden
AV Terrace Bay Inc., Canada
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi
Bhaskarpara Coal Company Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key Management Personnel (KMP):

Shri Kumar Mangalam Birla, Non-Executive Director
Smt. Rajashree Birla, Non-Executive Director
Shri Dilip Gaur, Managing Director (w.e.f. 1st April, 2016)
Shri K.K. Maheshwari, Managing Director (till 31st March, 2016)
Shri B.V. Bhargava, Non-Executive Director
Shri R.C. Bhargava, Non-Executive Director (upto 1st October, 2016)
Shri K.K. Maheshwari, Non-Executive Director (upto 27th December, 2016)
Shri M.L. Apte, Non-Executive Director
Shri Cyril Shroff, Non-Executive Director
Shri Thomas Martin, Non-Executive Director
Shri Shailendra K Jain, Non-Executive Director
Shri N. Mohan Raj, Non-Executive Director
Shri O.P. Rungta, Non-Executive Director
Shri Arun Thiagarajan- Non - Executive Director
Shri Sushil Agarwal, Whole-time Director & CFO (w.e.f 1st July, 2015)
Shri Adesh Gupta, Whole-time Director & CFO (upto 30th June, 2015)
Key Management Personnel of Subsidiaries

Associates:

Aditya Birla Science & Technology Company Private Limited
Idea Cellular Limited
Madanpur (North) Coal Company Private Limited

Post-Employment Benefit Plan:

Grasim Industries Limited Employees Provident Fund
Grasim (Senior Executive and Officers) Superannuation Scheme
Grasim Industries Limited Employees Gratuity Fund

Other Related Parties in which Directors are interested:

Shailendra Jain & Co.
Prafulla Brothers
Birla Group Holding Pvt. Ltd.
Shri Suvrat Jain
Shri Devarat Jain
Shardul Amarchand Mangaldas & Co.

Relatives of Key Management Personnel:

Relative (wife) of Shri Adesh Gupta:
Smt. Usha Gupta (upto 30th June, 2015)
Relatives of Key Management Personnel of Subsidiaries

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.8.2 Disclosure of Related Party Transactions:

₹ in Crore

		Current Year	Previous Year
(a)	**Sale of Products and Services (Gross)**		
	Joint Ventures	**166.40**	42.86
	Total	**166.40**	42.86
(b)	**Interest and Other Operating Income**		
	Joint Ventures	**1.98**	2.04
	Associates	**10.37**	3.95
	Other related parties in which Directors are interested	**0.67**	0.06
	Total	**13.02**	6.05
(c)	**Dividend Received**		
	Associates	**10.26**	10.26
	Joint Venture	**7.32**	-
	Total	**17.58**	10.26
(d)	**Purchase of Goods/Payment of Other Services (Net of Cenvat Credit, if available)**		
	Joint Ventures	**1,229.21**	1,081.16
	Associates	**26.76**	28.27
	Relatives of KMP	**0.11**	0.23
	Other related parties in which Directors are interested	**0.27**	0.82
	KMP	**57.93**	59.16
	Total	**1,314.28**	1,169.64
(e)	**Repayment against Loans Provided**		
	Associates	**0.47**	-
(f)	**Investment in Equity Shares**		
	Joint Ventures	**(55.67)**	3.94
(g)	**Contribution to Post-Retirement Funds**		
	Grasim Industries Limited Employees Provident Fund	**6.83**	4.99
	Grasim (Senior Executive and Officers) Superannuation Scheme	**6.96**	6.46
	Grasim Industries Limited Employees Gratuity Fund	**10.52**	7.56
		24.31	19.01
(h)	**Receipts from Post Retirement Fund**		
	Grasim Industries Limited Employees Gratuity Fund	**1.45**	18.06
(i)	**Deposit Given**		
	Relative of KMP	**5.00**	-
(j)	**Advance against Equity Refund**		
	Associates	**-**	0.05
(k)	**Compensation of Key Management Personnel of the Company**		
	Short-Term Employee Benefits	**16.08**	24.48
	Post-Retirement Benefits	**0.61**	2.69
	Share Based Payments	**2.97**	7.50
	Other Long-Term Benefits	**4.81**	3.66
		24.47	38.33

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information, except to the extent of amount paid to Shri Adesh Gupta in the previous year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Outstanding Balances as on the year end

₹ in Crore

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(l) Trade Payables			
Joint Ventures	**175.32**	102.54	107.51
Associates	**-**	-	10.22
Total	**175.32**	102.54	117.73
(m) Other Current Liabilities			
Associates	**-**	-	0.25
(n) Trade Receivables			
Joint Ventures	**39.07**	13.92	9.57
Associates	**1.40**	2.32	-
Total	**40.47**	16.24	9.57
(o) Loans and Advances			
Associate	**44.19**	46.12	46.17
Joint Ventures	**35.29**	37.07	35.59
Relative of KMP	**-**	-	1.50
Total	**79.48**	83.19	83.26
(p) Deposit			
Relative of KMP	**5.00**	0.98	0.98

The Board of Directors of Idea Cellular Limited (Idea), an Associate of the Company has approved the amalgamation of Vodafone India Limited (VIL) and it's wholly owned subsidiary Vodafone Mobile Services Limited with the Idea subject to requisite regulatory and other approvals.

As a promoter of Idea, the Company has undertaken to indemnify (liable jointly and severally with other promoters of Idea) upto a maximum of US$ 500 Million to the promoters of VIL and its wholly owned subsidiary VMSL, if Idea fails to meet some of its indemnity obligation under the implementation agreement for proposed amalgamation of VIL and VMSL with Idea.

Terms and Conditions of Transactions with Related Parties

The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The above transactions are as per approval of Audit Committee.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

4.9 RETIREMENT BENEFITS

4.9.1 Defined Benefit Plans as per Actuarial Valuation:

Gratuity(funded by the Company):

The Company operates gratuity plan through a trust for its all employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of service, whichever is earlier, of an amount equivalent to 15 to 30 days' salary for each completed year of service, as per rules framed in this regard. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. In case of majority of employees, the Company's scheme is more favourable as compared to the obligation under the Payment of Gratuity Act, 1972.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Ind AS-19 - 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Inherent Risk:

The plan is defined benefit in nature, which is sponsored by the Company and, hence, it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, changes in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

Pension:

The Company provides pension to few retired employees as approved by the Board of Directors.

Post-Retirement Medical Benefits:

On account of cement business, acquired under a scheme of amalgamation, there are certain ex-employees of the acquired business who are entitled for Post-retirement medical benefits as per the scheme of the transferor Company. Other employees are not entitled for these benefits.

Inherent Risk:

The plan is of a defined benefit in nature which, is sponsored by the Company and, hence, it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in salary increases for serving employees/pension increase for pensioners or adverse demographic experience can result in an increase in the cost of providing these benefits to employees in future. In this case the pension is paid directly by the Company (instead of pension being bought out from an insurance company) during the lifetime of the pensioners/beneficiaries and hence the plan carries the longevity risks.

4.9.1.1 Gratuity and Pension:

₹ in Crore

		Gratuity				Pension			
		Current Year		Previous Year		Current Year		Previous Year	
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
(i)	**Reconciliation of Present Value of the Obligation:**								
	Opening Defined Benefit Obligation	591.89	1.44	511.90	1.58	16.09	0.57	16.79	0.56
	Adjustments of:								
	Current Service Cost	43.45	0.16	41.47	0.18	-	-	-	-
	Interest Cost	45.02	0.14	40.51	0.14	1.22	0.04	1.25	0.04
	Actuarial Loss/(Gain)	31.99	(0.12)	7.95	(0.14)	1.18	0.03	0.18	0.02
	Liabilities assumed on Acquisition/(Settled on Divestiture)*	-	-	28.10	-	-	-	-	-
	Benefits Paid	(48.40)	(0.13)	(38.04)	(0.32)	(2.15)	(0.03)	(2.13)	(0.05)
	Closing Defined Benefit Obligation	663.95	1.49	591.89	1.44	16.34	0.61	16.09	0.57
(ii)	**Reconciliation of Fair Value of the Plan Assets:**								
	Opening Fair Value of the Plan Assets	578.39	-	512.97	-	-	-	-	-
	Adjustments of:								
	Return on Plan Assets	45.36	-	39.57	-	-	-	-	-
	Actuarial Gain/(Loss)	6.08	-	8.85	-	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

		Gratuity				Pension			
		Current Year		Previous Year		Current Year		Previous Year	
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
	Contributions by the Employer	98.95	0.03	44.41	0.28	2.15	0.03	2.13	0.05
	Assets acquired on Acquisition/ (Distributed on Divestiture)*	-	-	10.63	-	-	-	-	-
	Benefits Paid	(48.40)	(0.03)	(38.04)	(0.28)	(2.15)	(0.03)	(2.13)	(0.05)
	Closing Fair Value of the Plan Assets	680.38	-	578.39	-	-	-	-	-
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**								
	Present Value of the Defined Benefit Obligation at the end of the period	663.95	1.49	591.89	1.44	16.34	0.61	16.09	0.57
	Fair Value of Plan Assets	680.38	-	578.39	-	-	-	-	-
	Net Liabilities/(Assets) recognised in the Balance Sheet	(16.43)	1.49	13.50	1.44	16.34	0.61	16.09	0.57
(iv)	**Amount recognised in Salary and Wages under Employee Benefits Expenses in the Statement of Profit and Loss:**								
	Current Service Cost	43.45	0.16	41.47	0.18				-
	Interest on Defined Benefit Obligations (Net)	28.21	0.14	25.52	0.14	1.22	0.04	1.25	0.04
	Expected Return on Plan Assets	(28.55)	-	(24.57)	-				
	Net Cost	43.11	0.30	42.42	0.32	1.22	0.04	1.25	0.04
	Capitalised as Pre-Operative Expenses in respect of Projects and other adjustments	(0.07)	-	0.91	-			-	-
	Net Charge to the Statement of Profit and Loss	43.04	0.30	43.33	0.32	1.22	0.04	1.25	0.04
(v)	**Amount recognised in Other Comprehensive Income (OCI) for the year**								
	Changes in Financial Assumptions	41.81	(0.13)	(6.56)	(0.10)	0.84	0.02	(0.16)	(0.01)
	Changes in Demographic assumptions	(11.24)	-	-	-				
	Experience Adjustments	1.42	0.01	14.51	(0.04)	0.34	0.01	0.34	0.03
	Actual Return on Plan Assets less Interest on Plan Assets	(6.08)	-	(8.85)	-			-	-
	Recognised in OCI for the Year	25.91	(0.12)	(0.90)	(0.14)	1.18	0.03	0.18	0.02
(vi)	**Maturity Profile of Defined Benefit Obligation**								
	Within next 12 months (next annual reporting period)	81.80	0.15	74.14	0.18	1.19	0.06	1.19	0.08
	Between 1 and 5 years	207.65	0.85	183.25	0.88	4.43	0.23	4.44	0.22
	Between 6 and 10 years	266.71	1.51	257.80	0.73	2.99	0.22	3.28	0.22
	10 years and above	1009.34	0.24	1042.07	1.01	5.92	0.64	6.68	0.64
(vii)	**Quantitative sensitivity analysis for significant assumption**								
	Increase/(Decrease) on present value of defined benefit obligation at the end of the year								
	100bps increase in discount rate	(54.28)	(0.07)	(48.41)	(0.08)	(0.95)	(0.04)	(0.93)	(0.04)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

		Gratuity				Pension			
		Current Year		Previous Year		Current Year		Previous Year	
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
	100 bps decrease in Discount rate	62.04	0.08	55.39	0.09	1.05	0.04	1.02	0.04
	100 bps increase in Salary escalation rate	60.64	0.08	54.56	0.08	-	-	-	-
	100 bps decrease in Salary escalation rate	(54.05)	(0.07)	(48.52)	(0.08)	-	-	-	-
	100 bps increase in Pension Rate	-	-			0.45	-	0.45	-
	100 bps decrease in Pension Rate	-	-			(0.41)	-	(0.42)	-
(viii)	**The major categories of the Plan Assets as a % of total plan**								
	Government of India Securities	1%	N.A.	2%	N.A.	N.A.	N.A.	N.A.	N.A.
	Corporate Bonds	2%	N.A.	2%	N.A.	N.A.	N.A.	N.A.	N.A.
	Insurer Managed Fund	95%	N.A.	93%	N.A.	N.A.	N.A.	N.A.	N.A.
	Others	2%	N.A.	3%	N.A.	N.A.	N.A.	N.A.	N.A.
	Total	100%	N.A.	100%	N.A.	N.A.	N.A.	N.A.	N.A.
(ix)	**Principal Actuarial Assumptions**								
	Discount Rate	7.12% to 7.50%	11.50%	8.06% to 8.15%	10%	7.12% to 7.50%	7.5%	8.06% to 8.15%	8.15%
	Expected Return on Plan Assets	7.12% to 7.50%		8.00% to 8.06%					
	Salary Escalation Rate	8.00%	10.00%	8.00%	10.00%				
	Mortality Tables	Indian Assured (2006-08) mortality tables	GA 1983 Mortality table	Indian Assured (2006-08) mortality tables	GA 1983 Mortality table	PA (90) annuity rates adjusted suitably	PA (90) annuity rates adjusted suitably	Indian Assured Lives Mortality (2006-08)	PA (90) annuity rates adjusted suitably
	Retirement Age:								
	Management-	60Yrs.	55Yrs.	60Yrs.	55Yrs.	-	60Yrs	-	60Yrs
	Non-Management-	58Yrs.	55Yrs.	58Yrs.	55Yrs.				
(x)	**Weighted Average Duration of Defined Benefit obligation**	7 to 10 Yrs	9.5Yrs	6.5 to 11 Yrs	9.5Yrs	4.99Yrs to 7.4Yrs	6.8Yrs	4.99Yrs to 7.4Yrs	6.6Yrs

* Includes Liability of ₹ 27.52 Crore and Assets of ₹ 10.06, respectively, on account of amalgamation of Aditya Birla Chemicals (India) Limited with the Company.

	As at 1st April, 2015			
	Gratuity		Pension	Post-Retirement Medical Benefits
	Funded	Others		
Statement of Assets and Liabilities for Defined Benefit Obligation				
Present Value of the Defined Benefit Obligation at the end of the period	511.90	1.58	16.79	0.56
Fair Value of Plan Assets	512.97	-	-	-
Net Liabilities/(Assets) recognised in the Balance Sheet	(1.07)	1.58	16.79	0.56
Principal Actuarial Assumptions				
Discount Rate	7.89% to 8.00%	9.00%	7.89%	8.00%
Salary Escalation Rate	7.50% to 8.00%	10.00%	-	-
Mortality	Indian Assured (2006-08) mortality tables	GA 1983 Mortality table	PA (90) annuity rates down by 4 years	PA(90) annuity rates adjusted suitably

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(xiii) There are no amounts included in the Fair Value of the Plan Assets for:

- The Company's own financial instrument.
- Property occupied by or other assets used by the Company.

(xiv) Basis used to determine Discount Rate:

Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date, applicable to the period over which the obligation is to be settled.

(xv) Asset-Liability Matching Strategy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre-fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

(xvi) Salary Escalation Rate:

The estimates of future salary increases are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

(xvii) Sensitivity Analysis:

Sensitivity Analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market condition at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(xvii) The best estimate of the expected contribution for the next year amounts to ₹ 20.50 Crore (Previous Year ₹ 36.56 Crore).

(xix) Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 47.50 Crore (Previous Year ₹ 32.36 Crore).

(xx) Other Long-Term Employee Benefits:

Amount recognised as expense for other long-term employee benefits is ₹ 5.37 Crore (March 31, 2016 ₹ 3.31 Crore).

(xxi) Defined Contribution Plans:

Contribution to recognised provident fund is substantially defined contribution plan. The Group is liable for any shortfall in the fund assets based on the Government specified rate of return. Such shortfall, if any, is recognised in the statement of Profit and Loss as an expense in the year of incurring the same.

Amount recognised as expense and included in the Note 3.7 as "Contribution to Provident and Other Funds" ₹ 127.34 Crore (Previous Year ₹ 118.23 Crore). The Group does not expect any interest shortfall liability as at 31st March, 2017; 31st March, 2016 and 1st April, 2015.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.10 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (IND AS 107)

A. Classification of Financial Assets and Liabilities

₹ in Crore

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial Assets at Amortised Cost			
Trade Receivables	**3,009.56**	3,002.01	2,457.31
Loans	**379.16**	376.05	378.50
Equity Accounted Investees	**2,156.29**	2,095.49	1,838.27
Investments (Current and Non-Current)	**-**	45.37	45.02
Cash and Bank Balances	**2,307.02**	2,307.15	423.67
Other Financial Assets	**258.86**	255.97	214.81
Financial Assets at Fair Value through Other Comprehensive Income			
Investments (Current and Non-Current)	**2,904.96**	1,858.16	1,781.91
Financial Assets at fair value through Profit and Loss			
Investments (Current and Non-Current)	**9,139.13**	6,602.18	5,996.18
Fair Value Hedging Instruments			
Derivative Assets	**215.82**	624.43	539.97
Total	**20,370.80**	17,166.81	13,675.64
Financial Liabilities at Amortised Cost			
Borrowings (including Current Maturities of Long-term Debts)	**9,213.03**	12,504.83	11,357.95
Trade Payables	**3,076.95**	2,403.85	2,292.29
Other Financial Liabilities	**394.09**	437.57	539.56
Fair Value Hedging Instruments			
Derivative Liabilities	**42.30**	42.89	167.36
Total	**12,726.37**	15,389.14	14,357.16

B. Fair Value Measurements (Ind AS 113)

The fair values of the Financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares, which are traded in the stock exchanges, is valued using the closing price at the reporting date.

Level 2: The fair value of financial instruments, that are not traded in an active market (for example over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on the Company specific estimates. The mutual fund units are valued using the closing Net Asset Value. Investments in Debentures or Bonds are valued on the basis of dealer's quotation based on fixed income and money market association (FIMMDA). If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

	Fair Values		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial Assets at Fair Value through Other Comprehensive Income			
Investments in Debentures or Bonds (Level 2)	**170.48**	163.85	173.26
Investments in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates)			
- Level 1	**2,379.94**	1,428.06	1,354.37
- Level 3	**354.54**	266.25	254.28
Fair Value Hedge Instruments			
Derivative Assets (Level 2)	**215.82**	624.43	539.97
Financial Assets at Fair Value through Profit and Loss			
Investments in Mutual Funds and Bonds (Level 2)	**9,037.45**	6,498.92	5,903.66
Investments in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates) (Level 3)	**1.21**	1.05	1.05
Investments in Preference Shares (Level 3)	**100.47**	102.21	91.47
Total	**12,259.91**	9,084.77	8,318.06
Fair Value Hedging Instruments			
Derivative Liabilities (Level 2)	**31.16**	29.35	167.36
Total	**31.16**	29.35	167.36

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, commercial papers, foreign currency loan, working capital loan) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

4.10.1 Key Inputs for Level 1 and 2 Fair Valuation Technique:

1. Mutual Funds: Based on Net Asset Value of the Scheme (Level 2)
2. Debentures or Bonds: Based on Fixed Income and Money Market (FIMMDA) Valuation (Level 2)
3. Listed Equity Investments (other than Subsidiaries, Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)

During the reporting period ending 31st March, 2017 and 31st March, 2016, there was no transfer between Level 1 and Level 2 fair value measurement.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.10.2 Description of Significant Unobservable Inputs used for Financial Instruments (Level 3)

The following table shows the valuation techniques and inputs used for financial instruments:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investments in Preference Shares	Discounted cash flow method using risk adjusted discount rate		
Equity Investments-Unquoted (other than Subsidiaries, Joint Ventures and Associates)	Discounted cash flow method using risk adjusted discount rate/Net worth of Investee Co.		
Interest Rate Swaps	Present value of the estimated future cash flows based on observable yield curves		
Forward Foreign Exchange Contracts	Present value determined using forward exchange rates and interest rate curve of the respective currencies		
Currency Swap	Present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves		
Foreign Currency Option Contracts	Black-Scholes Valuation Model		
Commodity Swaps	Present value determined using the forward price and interest rate curve of the respective currency		
Other Financial Instruments	Discounted cash flow method using risk adjusted discount rate		

4.10.3 The following table shows a reconciliation from the opening balances to the closing balances for level 3 Fair Values:

	₹ in Crore
Investment in Preference Shares measured at FVTPL	91.47
Investment in Equity Shares measured at FVTPL	1.05
Investments in Equity Investments measured at FVTOCI (other than Subsidiaries, Joint Ventures and Associates)	254.28
Balances as at 1st April, 2015	**346.80**
Add: Preference Shares received on Amalgamation of Aditya Birla Chemicals (India) Ltd.	5.00
Add: Fair Value Gain recognised in Profit or Loss	5.74
Add: Fair Value Gain recognised in OCI	11.97
Balances as at 31st March, 2016	**369.51**
Add: Investment in Equity shares measured at FVTPL	0.16
Add: Fair Value Loss recognised in Profit or Loss	(1.73)
Add: Fair Value gain recognised in OCI	88.28
Balances as at 31st March, 2017	**456.22**

4.10.4 Relationship of Unobservable Inputs to Level 3 Fair Values (Recurring):

A. Equity Investments - Unquoted (for Equity Shares where Discounted Cash Flow Method is used):

A 100 bps increase/decrease in the WACC or discount rate used while all other variables were held constant, the carrying value of the shares would decrease by ₹ 7.5 Crore or increase by ₹ 11 Crore (as at 31st March, 2016: decrease by ₹ 3.5 Crore or increase by ₹ 5.5 Crore; as at 1st April, 2015: decrease by ₹ 1.5 Crore or increase by ₹ 2.5 Crore).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B. Equity Investments-Unquoted (for Equity Shares where Net Worth is used):

A 500 bps increase/decrease in the profit or loss while all other variables were held constant, the carrying value of the shares would increase/decrease by ₹ 0.01 Crore (as at 31st March 2016: increase/decrease by ₹ 0.01 Crore; as at 1st April, 2015:increase/decrease by ₹ 0.01 Crore).

C. Preference Shares

A 100 bps increase/decrease in the discount rate used while all the other variables were held constant, the carrying value of the shares would decrease by ₹ 5.98 Crore or increase by ₹ 6.18 Crore (as at 31st March, 2016: decrease by ₹ 7.01 Crore or increase by ₹ 7.41 Crore ; as at 1st April, 2015: decrease by ₹ 7.20 Crore or increase by ₹ 7.00 Crore).

4.11 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107):

The Group's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives, include trade and other receivables, investments and cash and cash equivalents that arises directly from its operations.

The Group's activities expose it to market risk, liquidity risk and credit risk.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts, principal only swaps that are entered to hedge foreign currency risk exposure, interest rate swaps to hedge variable interest rate exposure and commodity fixed price swaps to hedge commodity price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Group is exposed to and their management is given below:

Risk	Exposure Arising From	Measurement	Management
• **Market Risk:**			
- **Foreign Exchange Risk**	Committed commercial transactions, Financial Assets and Liabilities not denominated in INR	Cash Flow Forecasting, Sensitivity Analysis	Forward foreign exchange contracts Foreign currency options Principal only/Currency swaps
- **Interest Rate Risk**	Long-Term Borrowings at variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities	Sensitivity Analysis, Interest rate Movements	Interest Rate swaps Portfolio Diversification
- **Equity Price Risk**	Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost)	Financial Performance of the Investee Company	Investments are long-term in nature and in Companies with sound management with leadership positions in their respective businesses

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Risk	Exposure Arising From	Measurement	Management
• **Credit Risk**	Trade Receivables, Investments, Derivative Financial Instruments, and Loans	Ageing analysis, Credit Rating	Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria based approval process
• **Liquidity Risks**	Borrowings and Other Liabilities and Liquid Investments	Rolling Cash Flow Forecasts, Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification
• **Commodity Price Risk**	Movement in prices of commodities mainly Imported Thermal Coal	Sensitivity Analysis, Commodity price tracking	Commodity Fixed Prices Swaps/Options

The Management updates the Audit Committee on a quarterly basis about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Group on periodical basis about various risk to the business and the status of various activities planned to mitigate such risks.

Details relating to the risks are provided here below:

A. Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates to import of fuels, raw materials and spare parts, plant and equipments, exports of VSF, Chemicals, Cements and foreign currency borrowings and the Group's net investments in foreign subsidiaries.

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

in Crore

Outstanding Foreign Currency Exposure as at	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade receivables:			
USD	**3.60**	3.36	2.33
EURO	**0.75**	0.76	0.83
CNY (Chinese Yuan)	**6.19**	1.35	1.26
Others	**-**	-	0.02
Trade Payables:			
USD	**6.98**	3.66	2.38
EURO	**0.21**	0.29	0.31
Others	**0.20**	0.19	0.18
Borrowings:			
USD	**26.19**	48.42	50.54
JPY	**-**	546.64	1,386.64

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

in Crore

Outstanding Foreign Currency Exposure as at	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Others:			
USD	-	0.10	0.27
JPY	-	-	1.78
CAD (Canadian Dollar)	**0.71**	0.68	0.68
Investments:			
USD	**12.33**	10.37	10.41
THB (Thai Bhat)	**65.75**	54.56	36.72
Peso (Philippines)	**2.30**	2.30	2.14

Foreign Currency Sensitivity on Unhedged Exposure – Trade/Operation:

1% increase in foreign exchange rates will have the following impact on profit before tax.

₹ in Crore

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
USD	**4.49**	4.24	4.00
EURO	-	-	0.05
CNY	**0.17**	0.04	0.04

Note: If the rate is decreased by 1% the profit will decrease by an equal amount.

Foreign Currency Sensitivity on Unhedged Exposure – Investments:

1% increase in foreign exchange rates will have the following impact on OCI.

₹ in Crore

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investments*	**4.78**	3.69	3.25

Note: If the rate is decreased by 1% the profit will reduce by an equal amount.

Forward Exchange and Interest Rate Swap Contracts:

a) Derivatives for Hedging Foreign Currency Outstanding are as under:

in Crore

Particulars	Purpose	Currency	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	Cross Currency
Forward Contracts	Imports	USD	**12.14**	8.42	6.64	Rupees
	Imports	AUD	**0.02**	0.02	-	Rupees
	Imports	JPY	-	-	2.60	USD
	Exports	EURO	**1.99**	1.72	1.88	USD
	Exports	CNH	**4.40**	1.00	0.82	USD
	Exports	USD	**0.10**	0.01	0.21	Rupees
	ECB*	USD	-	0.10	-	Rupees
	ECB*	JPY	-	-	30.00	USD
	EPC^	USD	-	1.45	-	Rupees
	Imports	EURO	**0.31**	-	-	Rupees
	Imports	EURO	**1.66**	1.27	0.21	USD

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

in Crore

Particulars	Purpose	Currency	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	Cross Currency
Other Derivatives						
Currency and Interest Rate Swaps (CIRS)	ECB*	USD	**22.14**	30.78	35.28	Rupees
	ECB*	JPY	-	546.64	816.64	Rupees
Principal Only Swap	ECB*	JPY	-	-	540.00	USD
	ECB*	USD	**4.00**	13.64	19.51	Rupees
Interest Rate Swap	ECB*	USD	**4.00**	5.00	5.00	USD
	ECB*	USD	**33.50**	-	-	USD

*External Commercial Borrowings
^Export Packing Credit

b) **Cash Flow Hedges:** The Group has raised foreign currency external commercial borrowings and to mitigate the risk of foreign currency and floating interest rates the Company has taken forward contracts, currency swaps, interest rates swaps and principal only swaps. The Company is following Hedge Accounting for all the foreign currency borrowings raised on or after 1st April, 2015 based on qualitative approach. The Group assesses hedge effectiveness based on following criteria:

(i) an economic relationship between the hedged item and the hedging instrument ;

(ii) the effect of credit risk; and

(iii) assessment of the hedge ratio.

The Group designates the forward exchange contracts to hedge its currency risk and generally applies a hedge ratio of 1:1. The Group's policy is to match the tenor of the forward exchange contracts with the hedged item.

Foreign Currency Cash Flows:

Particulars	As at	Average Exchange Rate (USD/INR)	Foreign Currency USD Crores	Fair Value Assets (Liabilities) ₹ in Crores
Buy Currency for External Commercial Borrowings (USD)	31st March, 2017	67.38	9.64	(35.22)
Buy Currency for External Commercial Borrowings (USD)	31st March, 2016	66.48	1.45	(0.70)

Interest rates outstanding on Receive Floating and Pay Fix contracts:

Particulars	As at	Average contracted fixed interest rates*	Nominal Amount USD Crores	Fair Value Assets (Liabilities) ₹ in Crores
2 to 5 years	31st March, 2017	2.49%	43.14	38.37
2 to 5 years	31st March, 2016	NIL	NIL	NIL

*Includes weighted-average rate for Cross Currency Interest Rate Swaps, Principal Only Swap and Coupon Swaps

The Line item in the Balance Sheet that includes the above Hedging Instruments is "Other Financial Assets"/ "Other Financial Liabilities".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Recognition of Gains/(Losses) under Forward Exchange and Interest Rates Swaps Contracts designated under cash flows hedges:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)
Gain/(Loss)	**62.20**	-	(0.34)	-

B. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Group's exposure to the risk due to changes in interest rates relates primarily to the Group's short-term borrowings (excluding commercial paper) with floating interest rates. For all long-term borrowings in foreign currency with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Group constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

Interest Rate Exposure:

₹ in Crore

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Non-Interest Bearing Borrowings
INR	**5,278.41**	726.78	4,229.02	322.61
USD	**3,869.27**	3.19	3,866.08	-
AED	**0.74**	0.74	-	-
BDT	**61.37**	61.37	-	-
EURO	**2.01**	-	2.01	-
BHD	**1.23**	1.23	-	-
Total as at 31st March, 2017	**9,213.03**	**793.31**	**8,097.11**	**322.61**
INR	**6,604.27**	1851.92	4,424.31	328.04
USD	**5,436.91**	2669.05	2,767.86	-
JPY	**322.44**	-	322.44	-
AED	**66.11**	66.11	-	-
BDT	**70.66**	70.66	-	-
EURO	**3.49**	-	3.49	-
OMR	**0.95**	0.95	-	-
Total as at 31st March, 2016	**12,504.83**	**4659.69**	**7,518.10**	**328.04**
INR	**5,061.52**	1055.40	3,619.13	386.99
USD	**4,902.84**	2385.50	2517.34	-
JPY	**722.79**	297.11	425.68	-
AED	**586.10**	586.10	-	-
BDT	**76.79**	76.79	-	-
BHD	**2.96**	2.96	-	-
OMR	**4.95**	4.95	-	-
Total as at 1st April, 2015	**11,357.95**	**4408.81**	**6,562.15**	**386.99**

Note: Interest rate risk hedged for FCY borrowings has been shown under Fixed Rate Borrowings.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Interest Rate Sensitivities for Floating Rate Borrowings (impact of increase in 1%):

₹ in Crore

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
INR	**(7.06)**	(18.32)	(10.36)
USD	-	(26.02)	(23.83)
AED	**(0.01)**	(0.66)	(5.86)
BHD	**(0.01)**	-	(0.03)
BDT	**(0.61)**	(0.71)	(0.77)
OMR	-	(0.01)	(0.05)
JPY	-	(6.05)	(3.01)

Note: If the rate is decreased by 100 bps the profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowings have been done on the notional value of the foreign currency (excluding the revaluation).

C. Equity Price Risk:

The Group is exposed to equity price risk arising from Equity Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost).

Equity Price Sensitivity Analysis:

The Sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices of the quoted investments increase/decrease by 5%, Other Comprehensive Income for the year ended 31st March, 2017, would increase/decrease by ₹ 118.97 Crore (for the year ended 31st March, 2016 by ₹ 71.43 Crore).

D. Credit Risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

The carrying amount of financial assets represents the maximum credit risk exposure.

a. Trade Receivables

Trade receivables are consisting of a large number of customers. The Group has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

Total Trade Receivables as on 31st March, 2017 is ₹ 3,009.56 Crore (31st March, 2016: ₹ 3002.01 Crore, 1st April, 2015: ₹ 2457.31 Crore).

The Group does not have higher concentration of credit risks to a single customer. Single largest customers of all businesses have exposure of 1.56% of total sales (31st March, 2016: 1.6%) and in receivables 4.0% (31st March, 2016: 4.6%, 1st April, 2015: 2.7%).

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As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Movement of Loss Allowance:

₹ in Crore

Particulars	Current Year	Previous Year
Opening Provision:	**24.39**	3.60
Transferred on Amalgamation of erstwhile ABCIL	-	0.29
Add: Provided during the Year	**24.29**	21.68
Less: Utilised during the Year	**1.58**	1.18
Closing Provision	**47.10**	24.39

b. Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposit:

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low, as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Group enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investment in units of quoted Mutual Funds, quoted Bonds; Non-Convertible Debentures issued by Government/Semi Government Agencies/PSU Bonds/High Investment grade Corporates etc. These Mutual Funds and Counterparties have low credit risk.

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Total Non-Current and Current Investments as on 31st March, 2017 is ₹ 14,200.38 Crore (31st March, 2016 ₹ 10,601.200 Crore; 1st April, 2015: ₹ 9661.38 Crore)

Liquidity risk:

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

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₹ in Crore

As at 31st March, 2017	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities				
Borrowings (including Current Maturities of Long-Term Debts)	**2,444.32**	**5,587.40**	**1,181.32**	**9,213.03**
Trade Payables	**3,068.82**	**8.13**	**-**	**3,076.95**
Interest Accrued but not Due on Borrowings	**149.27**	**-**	**-**	**149.27**
Other Financial Liabilities (excluding derivative liability)	**241.16**	**3.66**	**-**	**244.82**
Derivative Liability	**11.15**	**31.15**	**-**	**42.30**
Liquid Financial Assets				
Surplus Investments in Mutual Funds, Bonds, etc	**6,994.13**	**2,148.37**	**65.43**	**9,207.93**

₹ in Crore

As at 31st March, 2016	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities				
Borrowings (including Current Maturities of Long-Term Debts)	6,960.66	5,031.15	513.02	12,504.83
Trade Payables	2,395.54	8.31	-	2,403.85
Interest Accrued but not Due on Borrowings	124.51	-	-	124.51
Other financial liabilities (excluding derivative liability)	298.20	14.86	-	313.06
Derivative Liability	42.89	-	-	42.89
Liquid Financial Assets				
Surplus Investments in Mutual Funds, Bonds, etc	3,535.09	3,111.65	61.38	6,708.12

₹ in Crore

As at 1st April, 2015	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities				
Borrowings (including Current Maturities of Long-Term Debts)	5,096.31	5,986.77	274.87	11,357.95
Trade Payables	2,276.59	15.70	-	2,292.29
Interest Accrued but not Due on Borrowings	144.10	-	-	144.10
Other financial liabilities (excluding derivative liability)	393.12	2.34	-	395.46
Derivative Liability	89.74	74.60	3.02	167.36
Liquid Financial Assets				
Surplus Investments in Mutual Funds, Bonds, etc	3,732.14	2,329.39	60.39	6.121.92

Group's surplus funds are almost equivalent to total borrowings outstanding as on 31st March, 2017. Hence, the liquidity risk is very low.

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4.12 FIRST TIME ADOPTION OF IND AS (IND AS 101):

The Company has prepared financial statements for the year ended 31st March, 2017, in accordance with Ind AS for the first time. For the periods upto and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending 31st March, 2017, together with comparative data as at and for the year ended 31st March, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2015 i.e. the transition date to Ind AS for the Company. This note explains the principal adjustment made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2015, and the financial statements as at and for the year ended 31st March 2016.

Exemptions Availed:

- **Deemed Cost for Property, Plant and Equipments and Intangible Assets:**

  The Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as of 1st April, 2015 (the transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

- **Share-Based Payments:**

  The Company has not applied Ind AS 102 to equity instruments, that vested before the date of transition to Ind AS.

- **Sales Tax Deferment Loan:**

  The Company has used its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet.

- **Past Business Combinations:**

  The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2015. Consequently,

  - the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
  - the Company has not recorded assets and liabilities that were not recognised in previous GAAP;
  - the Company has not excluded from its opening Balance Sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS; and
  - the Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.

The above exemptions in respect of business combinations have also been applied to past acquisitions of investments in Associates and Joint Ventures.

- **Classification and Measurement of Financial Assets:**

  The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

- **Fair Value of Financials Assets and Liabilities:**

  As per Ind AS exemption the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- **Decommissioning Liabilities included in the cost of Property, Plant and Equipment**

  The Group has measured the liability as at the date of transition to Ind AS as per Ind AS 37 to the extent that the liability is within the scope of Ind AS 16, estimated the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk-adjusted discount rate that would have applied for that liability over the intervening period and calculated the accumulated depreciation on that amount, as at the date of transition to Ind AS, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity in accordance with Ind AS.

4.13 NOTES TO THE RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2015 AND 31ST MARCH, 2016 AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2016

a) Property, Plant and Equipment:

(i) As per Ind AS 16, spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and Equipment ('PPE') when they meet the following criteria:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

Based on the above provision, stores and spares satisfying above criteria are de-recognised from Inventory and capitalised as PPE from the date of purchase. Stores and spares consumption has been reversed from the Consolidated Statement of Profit and Loss which has been capitalised as PPE.

Depreciation on capitalised stores and spares till the date of transition has been accounted for in Retained Earnings, and has been charged to the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016.

(ii) Under IGAAP, Leasehold Land was classified as Fixed Assets as the standard on leases excluded Land. However, as per Ind AS 17, where the substantial risks and rewards incidental to ownership of an asset has not been transferred in the name of the Company, the Company has classified such land under Operating Leases. The amount paid towards such leases has been shown as Prepayments under Other Non-Current Assets. Depreciation on leasehold land is reversed and charged as Rent Expense in the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016.

(iii) As per Ind AS 38, right to use jetty has been classified as Intangible asset as on the date of transition.

(iv) As per Appendix A to Ind AS 16, the cost of an item of property, plant and equipment includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Depreciation is charged in the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016.

Ind AS 37 provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as finance cost in the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016.

b) Non-Current Investments

Under the previous GAAP long-term investments were measured at cost less diminution in value other than temporary in nature. Under Ind AS, these investments have been classified as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

i) Investment in Bonds/Equity Shares (other than investments in Subsidiaries, Joint Arrangements and Associates) - These financial assets have been classified at fair value through Other Comprehensive Income (FVTOCI). At the date of transition to Ind AS difference between fair value of the investments and IGAAP carrying amount has been recognised in OCI. Investment by the Group's Subsidiary (UltraTech) in Equity Shares/Bonds has been classified at Fair Value through Profit and Loss (FVTPL). At the date of transition to Ind AS, difference between fair value of the investments and IGAAP carrying amount has been recognised in Retained Earnings.

ii) Investment in Preference Shares/Mutual Funds: These investments have been classified at FVTPL. At the date of transition to Ind AS, difference between fair value of the investments and IGAAP carrying amount has been recognised in Retained Earnings.

c) Current Investments (Mutual Funds)

Under the previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified at FVTPL. At the date of transition to Ind AS, difference between fair value of the investments and the previous GAAP carrying amount has been recognised in Retained Earnings.

d) Financial Instruments:

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, currency swaps, principal only swaps, and commodity fixed price swap contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively and Hedge accounting as permitted under Ind AS 109 and as per the Company the accounting policy is applied for the purpose of Accounting in the financial statements.

As per Ind AS 109, such derivative financial instruments are initially recognised at fair values, 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.

The method of recognising the resulting gain or loss on fair valuation of derivative instruments depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. The resulting gains or losses arising from changes in the fair value of derivatives as on the date of transition are included in Retained Earnings and for the year ended 31st March, 2016 in the Consolidated Statement of Profit and Loss.

With reference to the aforesaid, the resulting gain or loss on Forward Covers is credited in the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016.

e) Borrowings:

As per Ind AS 109, the Company has classified the Foreign Currency Loans as financial liabilities to be measured at amortised cost. The Company has executed derivative contracts to hedge foreign currency risk of borrowings. The borrowings have been restated as at the date of transition.

f) Provisions:

Under IGAAP, Provision for Asset Retirement Obligation is initially measured at the undiscounted amount to settle the obligation, however, Ind AS 37, requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation.

g) For Forward Covers and Commodity Derivatives, MTM reclassified to Derivative Liability as on the date of transition. The resulting gains or losses as on the date of transition are included in Retained Earnings.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

h) Deferred Tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or profit and loss respectively.

Under the previous GAAP, in the Consolidated Financial Statements, the tax expenses of the parent and its joint venture companies were added line-by-line, and there were no adjustments made/additional deferred taxes recognised or reversed on consolidation. Under Ind AS, deferred tax on account of undistributed profits of associate (Idea Cellular Ltd.) and joint venture (Bhubaneswari Coal Mining Ltd.) and the deferred tax impact of eliminations of unrealised profits arising on intra-group transfers has been recognised in the Consolidated Statement of Profit and Loss.

i) Sales Tax Deferment Loan:

Under the previous GAAP, sales tax deferment loan is recognised at the original amount without imputing interest and disclosed as borrowings. As per Ind AS 109 and Ind AS 20, Sales Tax Deferment Loan results into an interest-free loan from the government. Accordingly, the Company has prospectively measured the Sales Tax Deferment Loan at its fair value which is the discounted amount of the loan computed using the market rate of interest for a similar loan for the period for which the entity is not required to deposit the sales tax amount with the government.

The Company has recognised the difference between the amount payable for Sales Tax Deferment Loan and its present value in the Consolidated Statement of Profit and Loss over the period of loan.

j) Proposed Dividend:

Under the previous GAAP, proposed dividend including Corporate Dividend Tax (CDT) was recognised as liability in the period to which they relate, irrespective of period of declaration of the dividend. Under Ind AS, proposed dividend is recognised as a liability when approved by shareholders in a General Meeting.

k) Mines Restoration Expenditure:

Under the previous GAAP, Mines Restoration expense booked in the financial year 2015-16 has been now reversed as it is accounted for as per Ind AS 16.

l) Share Based Payments:

Under the previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date. The change does not affect total equity, but there is a decrease in profit before tax as well as profit for the year ended 31st March, 2016.

m) Defined Benefit Obligation:

Both under the previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under the previous GAAP, the entire cost, including actuarial gains and losses, are charged to the Consolidated Statement of Profit and Loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of assets ceiling, excluding amounts included in net

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

interest on the net defined benefit liability and return on plan assets, excluding amount included in net interest on the net defined benefit liability) are recognised in the Balance Sheet through Other Comprehensive Income (OCI). Thus, employee benefit expense is reduced and is recognised in OCI during the year ended 31st March, 2016.

The current tax amounting is also regrouped from profit or loss to OCI for the year ended 31st March, 2016. The above change does not affect total equity as at 31st March, 2016. However, profit before tax and profit for the year ended 31st March, 2016 is reduced.

n) Excise Duty:

Under the previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products is inclusive of excise duty. Accordingly, Excise Duty has been included in the cost of production, as it is a liability of the manufacturer, irrespective of whether the goods are sold or not.

o) Cash Discount:

Under the previous GAAP, cash discount was recognised as part of other expenses, which has been adjusted against the revenue from operations under Ind AS during the year ended 31st March, 2016.

p) Stamp Duty on Transfer of Assets of erstwhile ABCIL to the Company's name in a Business Combination:

Under the previous GAAP, stamp duty/registration charges payable on transfer of assets in a business combination was allowed to be capitalised as it was considered as cost incurred on bringing the asset to location and working condition for its intended use.

However, Ind AS 103 specifically does not allow to capitalise such cost incurred on transfer of asset as it is considered as acquisition related cost.

Thus, stamp duty payable on transfer of assets of erstwhile ABCIL to the Company's name has been decapitalised and charged to profit or loss for the year ended 31st March, 2016. Depreciation charged on account of the above capitalisation under the previous GAAP has also been reduced. Accordingly, deferred tax liability has been reversed. The above change has resulted in decrease in total equity as at 31st March, 2016 and profit for the year ended 31st March, 2016.

q) Other Comprehensive Income (OCI):

Under the previous GAAP, there was no concept of OCI. Under Ind AS, fair valuation of Bonds and Equity Investments not held for trade (other than Subsidiaries, Joint Ventures and Associates), effective portion of gains and losses on hedging instruments in a cash flow hedge and re-measurements on defined benefit liability, which was charged to the Consolidated Statement of Profit and Loss as per the IGAAP, are recognised in OCI.

r) Loss on Sale of Non-Current Term Investment:

Under the previous GAAP, Loss on sale of Non-Current Investment was charged to the Consolidated Statement of Profit and Loss. Under Ind AS, the loss has been routed through OCI as per the accounting policy adopted for equity investments (other than Subsidiaries and Joint Ventures) and thereafter transferred to retained earnings.

s) Minimum Alternate Tax (MAT) Credit Entitlement:

As per Ind AS 12, the Company has considered MAT credit entitlement as deferred tax asset being unused tax credit entitlement.

t) Investment in Joint Ventures accounted using Equity Method:

Under the previous GAAP, Joint Ventures were accounted in the consolidated financial statements by way of proportionate line-by-line consolidation. However, under Ind AS Joint Ventures have been accounted for using

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

equity method. Accordingly, only share in profit of joint ventures has been accounted for in the Consolidated Statement of Profit and Loss and added to the carrying value of Investment.

The Company has discontinued recognising its share of further losses of one of the Joint Ventures as share of loss exceeds the Company's interest in Joint Ventures.

u) Trade Receivables:

Under the previous GAAP, export bill discounted with recourse was shown as contingent liability and trade receivables & short-term borrowings were presented net of bill discounted. However, under Ind AS, the liability has to be recognized in the books and accordingly trade receivable & short-term borrowings have been grossed up to include export bill discounted with recourse.

v) Presentation of Non-controlling Interest (NCI) within Total Equity:

Under the previous GAAP, NCI was presented in the Consolidated Balance Sheet separately from liabilities and the equity of the owner's shareholders. Under Ind AS, NCI is presented in the Consolidated Balance Sheet within total equity separately from the equity attributable to the owners of the Company.

w) Reclassification of Assets and Liabilities as per Schedule III of the Companies Act, 2013:

1. As per Schedule III, Security Deposits which are financial in nature, are to be classified under loans and other deposits are classified under Other Non-Current/Current Assets, respectively.
2. Under the previous GAAP, Loans as well as Advances were shown together under the heading "Loans and Advances". However, as per Schedule III, Loans are classified under Financial Assets.
3. Fixed deposits with maturity greater than twelve months have been reclassified from Cash and Cash Equivalents to other non-current financial assets as per Schedule III of the Companies Act, 2013.
4. Fixed deposit with maturity less than twelve months and those earmarked for specific purpose have been reclassified from Cash and Cash Equivalents to Other Bank Balances as per Schedule III of the Companies Act, 2013.
5. Capital Advances have been reclassified from long-term loans and advances to Other Non-Current Assets.
6. Current and Non-Current Liabilities have been reclassified into Financial and Non-Financial Liabilities as per the nature of liabilities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.14 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

A. Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2016 and 1st April, 2015

₹ in Crore

	Reference (Note 4.13)	As at 31st March, 2016				As at 1st April, 2015			
		Previous GAAP#	Effect of transition to Ind AS		As per Ind AS Balance Sheet	Previous GAAP#	Effect of transition to Ind AS		As per Ind AS Balance Sheet
			Adjustments related to Joint Ventures (Note 4.13.t)	Other Ind AS Adjustments			Adjustments related to Joint Ventures (Note 4.13.t)	Other Ind AS Adjustments	
ASSETS									
Non-Current Assets									
Property, Plant and Equipment	a,p	32,039.15	(999.80)	(123.68)	**30,915.67**	28,457.31	(975.10)	13.59	**27,495.80**
Capital Work-in-Progress		1,834.56	(43.53)	(3.73)	**1,787.30**	2,750.11	(52.10)	(4.45)	**2,693.56**
Goodwill		3,373.60	(358.08)	-	**3,015.52**	3,283.40	(321.01)	(0.00)	**2,962.39**
Other Intangible Assets		130.92	(2.20)	210.87	**339.59**	87.44	(2.04)	127.78	**213.18**
Intangible Assets Under Development	a(iii)	1.08	-	-	**1.08**	4.84	-	-	**4.84**
Financial Assets									
Equity Accounted Investees		1,239.62	910.59	(110.03)	**2,040.18**	1,114.39	823.01	(99.13)	**1,838.27**
Investments	b	3,346.27	32.86	1,591.49	**4,970.62**	2,724.58	31.17	1,335.22	**4,090.97**
Loans		251.78	(50.95)	-	**200.83**	267.45	(85.14)	-	**182.31**
Other Financial Assets		19.97	-	263.75	**283.72**	22.06	-	525.04	**547.10**
MAT Credit Entitlement	s	1,408.65	-	(1,408.65)	-	1,051.20	-	(1,051.20)	-
Deferred Tax Assets (Net)	h	12.87	(2.67)	8.84	**19.04**	18.76	(9.12)	2.48	**12.12**
Non-Current Tax Assets (Net)		212.21	-	(25.57)	**186.64**	115.77	-	(20.99)	**94.78**
Other Non-Current Assets		748.02	(0.22)	10.93	**758.73**	970.18	-	14.69	**984.87**
		44,618.70	(514.00)	414.22	**44,518.92**	40,867.49	(590.33)	843.03	**41,120.19**
Current Assets									
Inventories	a(i)	4,628.03	(314.26)	(165.02)	**4,148.75**	4,788.45	(324.96)	(123.27)	**4,340.22**
Financial Assets									
Equity Accounted Investees		-	55.31	-	**55.31**	-	-	-	-
Investments	c	3,068.80	(42.60)	508.89	**3,535.09**	3,416.32	(28.66)	344.48	**3,732.14**
Trade Receivables	u	3,154.63	(159.13)	6.51	**3,002.01**	2,647.37	(198.25)	8.19	**2,457.31**
Cash and Cash Equivalents		229.81	(116.47)	-	**113.34**	140.51	(15.81)	(0.00)	**124.70**
Bank Balances other than Cash and Cash Equivalents		2,193.83	-	(0.02)	**2,193.81**	299.20	-	(0.23)	**298.97**
Loans		175.22	-	-	**175.22**	196.19	-	0.00	**196.19**
Other Financial Assets	d	236.17	-	360.51	**596.68**	192.76	-	14.92	**207.68**
Current Tax Assets (Net)		101.22	(16.04)	25.60	**110.78**	86.01	(4.69)	21.05	**102.37**
Other Current Assets		1,209.26	(81.90)	0.04	**1,127.40**	1,394.46	(48.60)	(1.23)	**1,344.63**
Assets held for Disposal		18.17	-	0.00	**18.17**	9.53	-	(0.00)	**9.53**
		15,015.14	(675.09)	736.51	**15,076.56**	13,170.80	(620.97)	263.91	**12,813.74**
TOTAL		**59,633.84**	**(1,189.09)**	**1,150.73**	**59,595.48**	**54,038.29**	**(1,211.30)**	**1,106.94**	**53,933.93**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Crore

	Reference (Note 4.13)	As at 31st March, 2016				As at 1st April, 2015			
		Previous GAAP#	Effect of transition to Ind AS		As per Ind AS Balance Sheet	Previous GAAP#	Effect of transition to Ind AS		As per Ind AS Balance Sheet
			Adjustments related to Joint Ventures (Note 4.13.t)	Other Ind AS Adjustments			Adjustments related to Joint Ventures (Note 4.13.t)	Other Ind AS Adjustments	
EQUITY AND LIABILITIES									
Equity									
Equity Share Capital		93.36	-	(0.00)	**93.36**	91.87	-	-	**91.87**
Other Equity	a, b, c, d,g, h, j, k, l, m, q	25,737.32	(82.61)	1,681.24	**27,335.95**	23,047.88	(87.37)	1,430.45	**24,390.96**
Equity Attributable to Owners of the Company		25,830.68	(82.61)	1,681.24	**27,429.31**	23,139.75	(87.37)	1,430.45	**24,482.83**
Non-Controlling Interest		8,484.47	-	244.35	**8,728.82**	7,681.79	-	168.00	**7,849.79**
Total Equity		**34,315.15**	**(82.61)**	**1,925.59**	**36,158.13**	**30,821.54**	**(87.37)**	**1,598.45**	**32,332.62**
Liabilities									
Non-Current Liabilities									
Financial Liabilities									
Borrowings	e	5,700.70	(333.59)	177.06	**5,544.17**	6,384.32	(509.85)	387.17	**6,261.64**
Trade Payables		8.31	-	-	**8.31**	15.70	-	-	**15.70**
Other Financial Liabilities		9.74	-	-	**9.74**	2.35	-	77.61	**79.96**
		5,718.75	(333.59)	177.06	**5,562.22**	6,402.37	(509.85)	464.78	**6,357.30**
Provisions	f	283.60	(9.88)	71.96	**345.68**	239.55	(8.77)	68.43	**299.21**
Deferred Tax Liabilities (Net)	h,s	4,238.45	(35.01)	(1,159.46)	**3,043.98**	3,429.06	(9.05)	(865.56)	**2,554.45**
Other Non-Current Liabilities		22.49	-	-	**22.49**	20.92	-	-	**20.92**
Current Liabilities									
Financial Liabilities								-	
Borrowings	e,u	4,031.78	(557.44)	4.57	**3,478.91**	3,071.39	(421.14)	6.25	**2,656.50**
Trade Payables - Total Outstanding Dues of									
- Micro Enterprises and Small Enterprises		5.81	-	-	**5.81**	2.00	-	-	**2.00**
- Creditors other than Micro Enterprises and Small Enterprises	g	2,485.00	(63.27)	(32.00)	**2,389.73**	2,352.86	(68.03)	(10.24)	**2,274.59**
Other Financial Liabilities	e	3,553.39	(42.41)	441.49	**3,952.47**	3,013.74	(7.62)	60.65	**3,066.77**
		10,075.98	(663.12)	414.06	**9,826.92**	8,439.99	(496.79)	56.66	**7,999.86**
Other Current Liabilities		3,693.28	(46.66)	(4.60)	**3,642.02**	3,341.61	(95.71)	3.10	**3,249.00**
Provisions		545.30	(3.10)	(273.88)	**268.32**	396.65	(3.48)	(218.92)	**174.25**
Current Tax Liabilities (Net)		740.84	(15.12)	-	**725.72**	946.60	(0.28)	0.00	**946.32**
TOTAL EQUITY AND LIABILITIES		**59,633.84**	**(1,189.09)**	**1,150.73**	**59,595.48**	**54,038.29**	**(1,211.30)**	**1,106.94**	**53,933.93**

Previous GAAP numbers of Financial statements for the year ended 31st March 2016 and Balance Sheet as on 1st April, 2015 have been reclassified as per Schedule III of Companies Act, 2013 for like-to-like comparison.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.14 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

B. Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended 31st March, 2016:

₹ in Crore

	Reference (Note 4.13)	Previous GAAP	Effect of Transition to Ind AS		Ind AS
			Other Ind AS Adjustments	Adjustments related to Joint Ventures (Note 4.13.t)	
INCOME					
Revenue from Operations	n,o	36,636.88	3,628.67	(1,730.54)	38,535.01
Other Income		336.36	333.39	(8.15)	661.60
Total Income (I)		36,973.24	3,962.06	(1,738.69)	**39,196.61**
EXPENSES					
Cost of Materials Consumed	k	8,879.61	(2.83)	(416.36)	8,460.42
Purchases of Stock-in-Trade		591.43	0.00	(17.80)	573.63
Changes in Inventories of Finished Goods,			-		-
Work-in-Progress and Stock-in-Trade		31.25	(8.34)	(54.75)	(31.84)
Employee Benefits Expenses	l,m	2,407.19	8.32	(287.69)	2,127.82
Finance Costs		751.34	6.37	(39.62)	718.09
Depreciation and Amortisation Expenses	a,d,p	1,910.96	6.59	(83.76)	1,833.79
Power and Fuel		6,217.06	(0.00)	(203.36)	6,013.70
Freight and Handling Expenses		6,375.21	0.01	(233.31)	6,141.91
Excise Duty	n	-	4,047.54	-	4,047.54
Other Expenses	a,d,o,p,r	5,500.44	(329.87)	(318.75)	4,851.82
		32,664.49	3,727.79	(1,655.40)	34,736.88
Less: Captive Consumption					
[Net of Excise Duty of ₹ 3.41 Crore]		54.44	-	-	54.44
Total Expenses (II)		32,610.05	3,727.79	(1,655.40)	**34,682.44**
Profit Before Share in Profit/(Loss) of Equity Accounted Investees, Exceptional Item and Tax		4,363.19	234.27	(83.29)	**4,514.17**
Share in Profit/(Loss) of Equity Accounted Investees		145.46	47.56	-	193.02
Profit Before Tax and Exceptional Item		4,508.65	281.83	(83.29)	**4,707.19**
Exceptional Item		(27.85)	-	-	(27.85)
Profit Before Tax		4,480.80	281.83	(83.29)	**4,679.34**
Tax Expense					
Current Tax		869.66	(1.37)	(12.42)	855.87
MAT Credit	s	(330.68)	330.68		-
Deferred Tax	s	672.15	(283.79)	(19.63)	368.73
Total Tax Expenses		1,211.13	45.52	(32.05)	**1,224.60**
Profit for the Year (1)		3,269.67	236.31	(51.24)	**3,454.74**
OTHER COMPREHENSIVE INCOME					
A (i) Items that will not be reclassified to Profit or Loss	q,r	-	98.30	-	98.30
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	q,r	-	(11.09)	-	(11.09)
B (i) Items that will be reclassified to Profit or Loss	q	-	147.70	-	147.70
(ii) Income Tax relating to items that will be reclassified to Profit or Loss	q	-	(13.22)	-	(13.22)
Other Comprehensive Income for the Year (2)		-	221.69	-	**221.69**
Total Comprehensive Income for the Year (1 + 2)		3,269.67	458.00	(51.24)	**3,676.43**
Profit Attributable to:					
Owners of the Company		2,359.15	160.23	(51.24)	2,468.14
Non-Controlling Interest		910.52	76.08	-	986.60
		3,269.67	236.31	(51.24)	**3454.74**
Other Comprehensive Income Attributable to:					
Owners of the Company		-	209.98	-	209.98
Non-Controlling Interest		-	11.71	-	11.71
		-	221.69	-	**221.69**
Total Comprehensive Income Attributable to:					
Owners of the Company		2,359.15	370.21	(51.24)	2,678.12
Non-Controlling Interest		910.52	87.79	-	998.31
		3,269.67	458.00	(51.24)	**3676.43**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.14 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

C. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

₹ in Crore

	As at 31st March 2016
Profit as reported under the previous GAAP (A) (Owners of the Company)	**2,359.15**
Ind AS Adjustments on account of:	
a. Fair Valuation of Investments designated through Profit and Loss	321.24
b. Change in Profit of Equity Accounted Investees	(16.37)
c. Cost of Employee Stock Option at Fair Value, earlier accounted as per Intrinsic Value	0.66
d. Re-measurement of Defined Benefit Plan accounted in OCI	(5.72)
e. Hedge Accounting of Borrowings	(13.04)
f. Stamp Duty on Transfer of Assets of erstwhile ABCIL (Net of Depreciation) charged to Profit and Loss, earlier Capitalised	(83.14)
g. Capitalisation of major Spares as Property, Plant and Equipment	
(i) Reversal of consumption of Spares charged to Profit and Loss	27.27
(ii) Depreciation on Spares Capitalised	(9.85)
h. Depreciation and Amortisation due to recognition of assets	
i. Interest	(6.37)
j. Share of Losses of a Joint Venture not recognised	12.68
k. Change in Non-Controlling Interest	(76.10)
l. Others	3.25
m. Deferred and Current Tax Adjustments on above (Net)	(45.52)
Total Effect of Transition to Ind AS (B: Sum a to m)	**108.99**
Profit for the Year as per Ind AS (A + B) (Owners of the Company)	**2,468.14**
Other Comprehensive Income for the Year (Net of Tax) (Owners of the Company)	209.98
Total Comprehensive Income under Ind AS (Owners of the Company)	**2,678.12**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.14 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

D. Reconciliation of Equity as at 31st March 2016 and 1st April 2015

₹ in Crore

Particulars	As at 31st March 2016 (End of last period presented under the previous GAAP)	As at 1st April 2015 (Date of transition to Ind AS)
Total Equity as reported under the previous GAAP (A)	**34,315.15**	**30,821.54**
Ind AS Adjustments on account of:		
a. Fair Valuation of Investments designated through Profit and Loss	833.84	512.80
b. Fair Valuation of Investments designated through Other Comprehensive Income	1,266.50	1,166.91
c. Change in Profit of Equity Accounted Investees (Joint Ventures and Associates)	(116.52)	(106.30)
d. Dividend not recognised as Liability until declared	273.88	218.98
e. Stamp Duty on transfer of Assets of erstwhile ABCIL charged to Profit and Loss (Net of Depreciation) earlier Capitalised in the previous GAAP	(83.14)	-
f. Depreciation and Amortisation due to recognition of assets	(38.93)	(34.07)
g. Hedge Accounting of Borrowings	10.78	23.82
h. Interest	(6.37)	-
i. Share of Losses of a Joint Venture not recognised	15.50	8.03
j. Preference Shares of Joint Ventures not considered as equity	(57.98)	(59.17)
k. Capital reserve on consolidation arising in a Joint Venture not considered as equity due to change in accounting from proportionate line by line consolidation to equity method	(41.07)	(36.48)
l. Items reclassified to OCI	(2.82)	-
m. Others	29.66	(0.27)
n. Deferred Tax Adjustments (net)	(240.35)	(183.17)
Total adjustment to Equity (B: sum a to n)	**1,842.98**	**1,511.08**
Total Equity under Ind AS (A + B)	**36,158.13**	**32,332.62**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.14 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

E. Effect of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2016

₹ in Crore

Particulars	Previous GAAP	Effect of Transition to Ind AS		Ind AS
		Other Ind AS Adjustments	Adjustments related to Joint Ventures	
Net Cash Flows from Operating Activities	6,106.47	10.30	(249.78)	5,866.99
Net Cash Flows from Investing Activities	(2,594.06)	(2,018.44)	39.93	(4,572.57)
Net Cash Flows from Financing Activities	(1,475.25)	(0.01)	112.06	(1,363.20)
Net Increase/(Decrease) in Cash and Cash Equivalents	**2,037.16**	**(2,008.15)**	**(97.79)**	**(68.78)**
Cash and Cash Equivalents at the Beginning of the Year	156.97	(16.46)	(15.81)	124.70
Cash and Cash Equivalents received on Amalgamation/ Acquisition	4.06	(0.00)	-	4.06
Effect of Exchange Rate on Consolidation of Foreign Subsidiaries/ Joint Ventures	51.25	4.98	(2.87)	53.36
Cash and Cash Equivalents at the End of the Year	**2,249.44**	**(2,019.63)**	**(116.47)**	**113.34**

Analysis of Cash and Cash Equivalents as at 31st March, 2016 and as at 1st April, 2015 for the purpose of Statement of Cash Flow under Ind AS

₹ in Crore

Particulars	As at 31st March, 2016 (End of last period presented under the previous GAAP)	As at 1st April, 2015 (Date of Transition to Ind AS)
Cash and Cash Equivalents for the purpose of Statement of Cash Flows as per the previous GAAP	**2,249.44**	**156.97**
Earmarked Balances with Bank (includes Unclaimed Dividend, FDs with maturity more than 3 months, etc.)	(2,019.61)	(16.23)
Cash and Cash Equivalent of Joint Ventures due to change in accounting from proportionate line-by-line consolidation to Equity Method	(116.47)	(15.81)
Cash and Cash Equivalent of Joint Ventures of UltraTech due to change in accounting from proportionate line-by-line consolidation to Equity Method	(0.02)	(0.23)
Cash and Cash Equivalents for the purpose of Statement of Cash Flows as per Ind AS	**113.34**	**124.70**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.15 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTION FOR PREPARATION OF CFS AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

₹ in Crore

S.no	Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)
A	**Parent (Holding Co.)**	**35.01%**	**14,386.91**	**33.08%**	**1,404.34**	**104.81%**	**1,009.75**	**46.34%**	**2,414.09**
B	**Subsidiary**								
	Indian								
1	UltraTech Cement Limited (60.23%)	59.37%	24,393.21	63.91%	2,713.51	3.12%	30.04	52.67%	2,743.55
2	Sun God Trading and Investment Limited (100%)	0.00%	0.50	0.00%	0.03	0.00%	-	0.00%	0.03
3	Samruddhi Swastik Trading and Investment Limited (100%)	0.11%	45.47	0.08%	3.45	-0.03%	(0.25)	0.06%	3.20
4	Grasim Bhiwani Textile Limited (100%)	0.26%	105.68	-0.08%	(3.41)	-0.08%	(0.73)	-0.08%	(4.14)
	Foreign								
1	Aditya Birla Chemicals (Belgium) BVBA (100%)	0.00%	0.68	-0.04%	(1.71)	0.02%	0.16	-0.03%	(1.55)
	Sub-Total (B)	**59.74%**	**24,545.54**	**63.87%**	**2,711.87**	**3.03%**	**29.22**	**52.62%**	**2,741.09**
C	**Associates (Investment as per Equity Method)**								
	Indian								
1	Aditya Birla Science & Technology Co. Pvt. Ltd (39%)	0.03%	10.79	0.00%	0.14	-0.01%	(0.11)	0.00%	0.03
2	Idea Cellular Limited (4.74%)	2.84%	1,166.07	-0.45%	(18.95)	-0.02%	(0.21)	-0.37%	-19.16
3	Madanpur (North) Coal Company Limited	0.00%	0.95	0.00%	0.01	0.00%	-	0.00%	0.01
	Sub-Total (C)	**2.87%**	**1,177.81**	**-0.45%**	**(18.80)**	**-0.03%**	**-0.32**	**-0.37%**	**-19.12**
D	**Joint Ventures (As per Proportionate Consolidation)**								
	Indian								
1	Bhubaneswari Coal Mining Limited (26%)	0.18%	75.30	0.31%	13.31	0.01%	0.12	0.26%	13.43
	Foreign								
1	AV Group NB Inc. (45%)	1.03%	421.34	1.73%	73.35	-2.88%	(27.73)	0.88%	45.62
2	Birla Jingwei Fibres Co. Limited (26.63%)	0.15%	60.27	0.84%	35.57	-0.45%	(4.35)	0.60%	31.22
3	Birla Lao Pulp & Plantations Company Limited (40%)	0.17%	70.07	-0.02%	(1.01)	-0.42%	(4.07)	-0.10%	(5.08)
4	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (33.33%)	0.01%	4.46	0.10%	4.05	0.90%	8.66	0.24%	12.71
5	Aditya Group AB (33.33%)	0.83%	340.55	0.54%	22.93	-4.97%	(47.84)	-0.47%	(24.91)
6	AV Terrace Bay (40%)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
7	Bhaskarpara Coal Company Limited	0.01%	6.49	0.00%	-	0.00%	-	0.00%	-
	Sub-Total (D)	**2.38%**	**978.48**	**3.50%**	**148.20**	**-7.81%**	**(75.21)**	**1.41%**	**72.99**
TOTAL (A+B+C+D)		**100.00%**	**41,088.74**	**100.00%**	**4,245.61**	**100.00%**	**963.44**	**100.00%**	**5,209.05**

Note: Figures provided above are net of inter-company eliminations.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.16 The Company has spent ₹ 72.43 Crore on Corporate Social Responsibility Projects/initiatives during the year including ₹ 1.64 Crore towards capital expenditure (Previous Year ₹ 66.22 Crore including ₹ 5.79 Crore towards capital expenditure).

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended March 31, 2017 is ₹ 69.38 Crores (March 31, 2016 ₹ 74.02 Crore) i.e. 2% of average net profits for last three financials years, calculated as per section 198 of the Companies Act, 2013.

4.17 In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based Payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1st April, 2017. The Company is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

(A) Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

(B) Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

4.18 AMALGAMATION OF ADITYA BIRLA CHEMICALS (INDIA) LTD.

During the previous year, the Hon'ble High Courts of Madhya Pradesh and Jharkhand have, by their respective orders, approved the Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited (ABCIL), a leading manufacturer of Chlor-Alkali and allied chemicals, with the Company and their respective Shareholders and Creditors. ABCIL has been amalgamated with the Company on 4th January, 2016 w.e.f. the appointed date of 1st April, 2015.

All the assets and liabilities have been accounted for in the books of account of the Company at the value appearing in the books of account of ABCIL as on 1st April, 2015, under the "Pooling of Interest" method as per the Court approved Scheme of Amalgamation.

In terms of the Scheme, the Company has issued 14.62 lakh equity shares to the shareholders of the erstwhile ABCIL in the ratio of 1 (one) share of ₹ 10/- each fully paid-up against 16 (sixteen) shares of ₹ 10/- each fully paid-up of ABCIL held by them. As a result, issued and paid-up Equity Share Capital of the Company has increased by ₹ 1.46 Crore to ₹ 93.33 Crore.

Difference between Share Capital of ABCIL of ₹ 23.39 Crore and Equity Share Capital issued by the Company of ₹ 1.46 Crore to ABCIL shareholders amounting to ₹ 21.93 Crore has been disclosed as "Capital Reserve".

Further, Chlor-Alkali plant and related assets of Ganjam, Odisha and Salt Works at Pundi, Andhra Pradesh were acquired during the previous year at a total consideration of ₹ 212 Crore as per the Business Transfer Agreement between the ABCIL and Jayshree Chemicals Ltd.

The Company has followed the accounting treatment prescribed in the court approved Scheme of Amalgamation of ABCIL which is at deviation from the treatment for the amalgamation as per the Ind AS 103 (Business Combinations) in terms of general instruction clause (1) of notification dated 16th February, 2015 of Ministry of Corporate Affairs.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Disclosure of Assets and Liabilities recognised at the appointed date of Business Combination as per the Scheme of Amalgamation of ABCIL:

₹ in Crore

A.	ASSETS	Previous Year
1.	**Non-Current Assets**	
	(a) Property, Plant & Equipment and Intangible Assets	1,433.51
	(b) Capital Work-in-Progress	26.12
	(c) Non-Current Investments	5.05
	(d) Other Non-Current Assets	35.30
	Sub-Total - Non-Current Assets	**1,499.98**
2.	**Current Assets**	
	(a) Inventories	154.35
	(b) Trade Receivables	120.64
	(c) Cash and Cash Equivalents	4.03
	(e) Other Current Assets	65.55
	Sub-Total - Current Assets	**344.57**
	TOTAL - ASSETS (A)	**1,844.55**
B.	**LIABILITIES**	
1.	**Non-Current Liabilities**	
	(a) Borrowings	670.31
	(b) Deferred Tax Liabilities (Net)	131.03
	(c) Provisions	17.57
	Sub-Total - Non-Current Liabilities	**818.91**
2.	**Current Liabilities**	
	(a) Borrowings	259.65
	(b) Trade Payables	52.47
	(c) Provisions	19.94
	(d) Other Current Liabilities	247.57
	Sub-Total - Current Liabilities	**579.63**
	TOTAL - LIABILITIES (B)	**1,398.54**
	Net Asset acquired on Amalgamation (A - B)	446.01
	Contingent Liabilities	66.28

4.19 Scheme of Arrangement for Amalgamation of Aditya Birla Nuvo Ltd. (ABNL) with the Company and demerger of Financial Services business into Aditya Birla Financial Services Ltd. (ABFSL).

During the year, the Board of Directors of the Company approved a composite Scheme of Arrangement between the Company, ABNL and ABFSL - a wholly owned Subsidiary of ABNL and their respective shareholders and creditors ('Scheme'). The Scheme provides for Amalgamation of ABNL with the Company and the subsequent demerger of financial services business into ABFSL and consequent listing of equity shares of ABFSL.

In terms of the Scheme, the Company will issue equity shares to the shareholders of ABNL in the ratio of 15 (fifteen) Equity Shares of ₹ 2/- each fully paid up against 10 (ten) Equity Shares of ₹ 10/- each fully paid-up of ABNL held by them on the record date for this purpose in the first stage.

Subsequently in the second stage, on demerger of financial services business into ABFSL, the Shareholders of the Company will be issued Equity Shares of ABFSL in the ratio of 7 (seven) equity shares of ₹ 10/- each fully paid-up in respect of 5 (five) equity shares of ₹ 2/- each fully paid-up of the Company held by them on the record date for this purpose.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Scheme has been approved by the Equity Shareholders and Creditors of the Company at their meeting held on 6th April, 2017. Shareholders and Creditors of ABNL and ABFSL have also approved the Scheme. Other regulatory approvals such as from Competition Commission of India, Stock Exchanges have also been received. The proceedings for sanction of the Scheme by the National Company LawTribunal (NCLT) are in progress. Pending sanction of the Scheme by NCLT and the Scheme becoming effective with other regulatory requirements, no effect has been given for the Scheme in these financial statements. In terms of the Scheme, the effective date will be the appointment date and there is no separate appointment date for the Scheme. The Scheme is expected to become effective by the second quarter of the financial year 2017-18.

The Audited Financial Statements (Standalone and Consolidated) of ABNL for the year ended 31st March, 2017 have been duly approved by its Board of Directors at its meeting held on 18th May, 2017, extracts of which are as under:

A. Summarised Statement of Profit and Loss of ABNL for the year ended 31st March, 2017

₹ in Crore

Particulars	Standalone		Consolidated	
	Current Year ended 31st March 2017	Previous Year ended 31st March 2016	Current Year ended 31st March 2017	Previous Year ended 31st March 2016
Revenue from Operations	**5,210.53**	5,660.25	**14,577.26**	13,314.89
Other Income	**241.75**	206.48	**348.81**	325.95
Total Income	**5,452.28**	5,866.73	**14,926.07**	13,640.84
Profit Before Interest, Depreciation and Tax	**745.44**	856.87	**3,931.41**	3,058.40
Finance Costs relating to NBFC/NHFC's Business	-	-	**2,275.99**	1,599.78
Other Finance Cost	**215.34**	280.49	**218.01**	279.10
Depreciation and Amortisation	**133.84**	121.17	**203.74**	172.74
Profit Before Share in Profit/(Loss) of an Associate and Joint Ventures, Exceptional Items and Tax from Continuing Operations	**396.26**	455.21	**1,233.67**	1,006.78
Share in Profit/(Loss) of an Associate and Joint Venture	-	-	**11.47**	752.87
Exceptional Item	**1,135.54**	56.44	**15.84**	56.44
Tax (Current & Deferred)	**185.59**	148.06	**297.74**	531.99
Profit for the Year from continuing operations including profit of Life Insurance Business attributable to Participating Shareholders	**1,346.21**	363.59	**963.24**	1,284.10
Less: Profit of Life Insurance Business attributable to Participating Shareholders	-	-	**5.62**	(1.24)
Profit for the period from continuing Operations	**1,346.21**	363.59	**957.62**	1,285.34
Profit attributable to Discontinued Operations	-	22.62	-	354.74
Profit for the Period	**1,346.21**	386.21	**957.62**	1,640.08
Other Comprehensive Income (Net of Tax)	**409.05**	(641.21)	**470.85**	(289.86)
Total Comprehensive Income	**1,755.26**	(255.00)	**1,428.47**	1,350.22
Profit for the Period attributable to:				
Owners of the Parent	**1,346.21**	386.21	**908.31**	1,612.77
Non-Controlling Interest	-	-	**49.31**	27.31
Total Comprehensive Income attributable to:				
Owners of the Company	**1,755.26**	(255.00)	**1,346.60**	1,327.19
Non- controlling Interest	-	-	**81.87**	23.03

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B. Summarised Balance Sheet of ABNL as on 31st March 2017

₹ in Crore

Particulars	Standalone		Consolidated	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Assets				
Non-Current Assets	**11,697.12**	10,608.31	**74,067.30**	58,567.20
Current Assets	**2,791.71**	3,212.98	**18,148.65**	16,738.81
Total	**14,488.83**	13,821.29	**92,215.95**	75,306.01
Equity and Liabilities				
Equity (including Non-Controlling Interest)	**10,280.92**	8,597.85	**17,412.00**	13,883.37
Non-Current Liabilities	**1,185.09**	1,472.98	**53,555.63**	45,803.78
Current Liabilities	**3,022.82**	3,750.46	**21,248.32**	15,618.86
Total	**14,488.83**	13,821.29	**92,215.95**	75,306.01

4.20 Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.

In terms of our report on even date attached

For GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Akeel Master
Partner
Membership No.: 46768

For G. P. KAPADIA & CO.
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Atul B. Desai
Partner
Membership No.: 30850

Dilip Gaur
Managing Director
DIN-02071393

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN-00060017

Hutokshi Wadia
Company Secretary

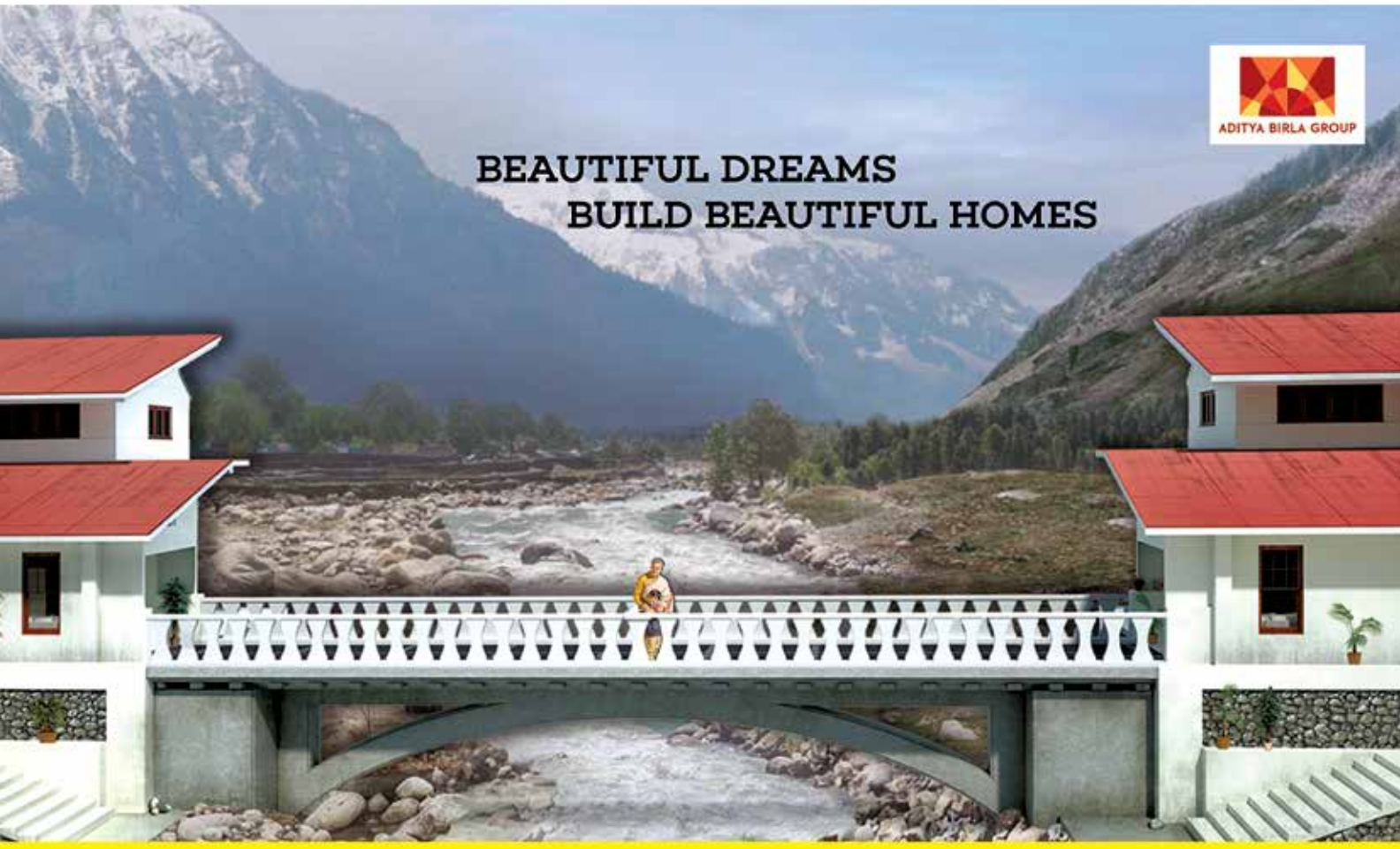
B. V. Bhargava
Independent Director
DIN-00001823

M. L. Apte
Independent Director
DIN-00003656

Mumbai
Dated: 19th May, 2017

NOTES


ADITYA BIRLA
GRASIM
experience fluid fashion
"Festive season is here and my Liva infused clothes are ideal for every occasion. Having Liva in my wardrobe during this season is perfect, because it's a nature-based fabric that effortlessly drapes around me. It's fashion so fluid, that when I move – it moves with me!"
KANGANA RANAUT
liva™
natural fluid fashion



Give your dreams shape with UltraTech Cement.
The one cement which understands the desire
to build beautiful.

UltraTech CEMENT
The Engineer's Choice

Build beautiful


ADITYA BIRLA
GRASIM
fabrics never felt so fluid
liva
natural fluid fashion
WYATT Prism
COMMUNICATIONS
(info@wyatt.co.in)

GRASIM INDUSTRIES LIMITED

Registered Office: Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India

CIN: L17124MP1947PLC000410

Tel. No.: 07366 - 246760; E-mail: grasim.secretarial@adityabirla.com;
Website: www.grasim.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 70th Annual General Meeting of **GRASIM INDUSTRIES LIMITED** will be held at the Registered Office of the Company at Grasim Staff Club, Birlagram, Nagda - 456331, District Ujjain, Madhya Pradesh, on Friday, 22nd September 2017, at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March 2017, and the reports of the Board of Directors and the Auditors thereon.

2. To declare dividend on the Equity Shares of the Company for the financial year ended 31st March 2017.

3. To appoint a Director in place of Mr. Kumar Mangalam Birla (DIN: 00012813), who retires from office by rotation and, being eligible, offers himself for re-appointment.

4. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of B S R & Co. LLP, Chartered Accountants (Registration No.101248W/W-100022), as one of the Joint Statutory Auditors of the Company to hold office as such from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Seventy-first AGM of the Company, to be held in the year 2018, at such remuneration and reimbursement of out-of-pocket expenses in connection with the audit, as maybe mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditors."

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), S R B C & Co, LLP, Chartered Accountants (Registration No. 324982E), be and is hereby appointed as one of the Joint Statutory Auditors of the Company in place of M/s. G. P. Kapadia & Co., Chartered Accountants (Registration No. 104768W), the retiring Joint Statutory Auditors, for a period of five consecutive years, i.e., to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Seventy-fifth AGM of the Company, to be held in the year 2022, subject to ratification of

their appointment by the Members at every AGM till the Seventy-fourth AGM, at such remuneration and reimbursement of out-of-pocket expenses in connection with the audit, as maybe mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditors."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 42 and 71, and any other applicable provisions of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014, and the regulations including under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the provisions of the Articles of Association of the Company, and such other laws / guidelines / regulations as may be applicable, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof or any person authorised by the Board in this behalf) to make one or more offer(s) or invitation(s) to subscribe to the issue of Non-Convertible Debentures (NCDs) on private placement basis, in one or more series or tranches, during a period of one year from the date of passing this Resolution, of a sum not exceeding ₹ 3,000 Crore only (Rupees Three Thousand Crore), on such terms and conditions as the Board may from time to time determine and consider proper and most beneficial to the Company, including as to when the NCDs be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps as it may, in its absolute discretion deem necessary, proper or expedient to give effect to this Resolution and to delegate all or any of these powers to any Committee of Directors or to the Managing Director or Whole-time Director & CFO or any other officer of the Company."

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration not exceeding ₹ 10,00,000 (Rupees Ten Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit, payable to M/s. D.C. Dave & Co., Cost Accountants, Mumbai (Registration No. 000611), appointed by the Board to conduct the audit of the cost records of the Company for the financial year ending 31st March 2018, be and is hereby ratified and confirmed."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as maybe necessary, proper or expedient to give effect to this Resolution."

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013, and other applicable provisions, read with the rules and regulations made thereunder, including any amendment, re-enactment or statutory modification thereof, the Articles of Association of the Company (Articles) be and is hereby altered by adding new clauses 63A to 63D therein, which shall stand inserted immediately after existing clause 63, and shall be read as under:

   63A No change of shareholding by any person/group of persons, except Promoters/Persons comprising the Promoter Group/ Person acting in concert

with the Promoters and Promoter Group of the Company, by way of fresh issue or transfer of shares, to the extent of 5% or more in the Company shall be without the prior approval of RBI, which shall be obtained by such person/group of persons.

63B Not less than 51% of the shareholding of the Company shall be held by residents;

63C Resident shareholders shall have the power to appoint majority of directors on the Board of the Company; and

63D Any action taken, or any amendments of the Articles of the Company that would be in conflict of the provisions in 63A, 63B and 63C shall stand void.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as maybe necessary, proper or expedient to give effect to this Resolution."

By Order of the Board



Hutokshi Wadia
President & Company Secretary

Place: Mumbai
Date: 8th July 2017

NOTES FOR MEMBERS' ATTENTION:

1. The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the special businesses under Item Nos. 5 to 8 of the Notice as set out above, are annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING / AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

3. **THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE MEETING IS ATTACHED TO THIS NOTICE.**

4. **A PERSON CAN ACT AS PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN (10) PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, MAY APPOINT A SINGLE PERSON AS PROXY, AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**

5. Corporate members, intending to depute their authorised representatives to attend the meeting pursuant to Section 113 of the Act, are requested to send to the Company a duly certified true copy of the Board Resolution/Power of Attorney authorising their representatives to attend and vote on their behalf at the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

6. During the period, beginning 24 hours before the time fixed for commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, will be available for inspection by the members at the AGM.

8. The Register of Contracts or Arrangements, in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members at the AGM.

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

10. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 12th September 2017 to Friday, 22nd September 2017 (both days inclusive), for the purpose of payment of dividend, if any, approved by the Members.

11. Subject to the provisions of the Act, dividend as recommended by the Board, if approved at the Meeting, will be paid within a period of 30 days from the date of declaration, to those Members or their mandates, whose names are registered in the Company's Register of Members:

    a) as Beneficial Owners as at the end of the business hours on Monday, 11th September 2017, as per the lists to be furnished by National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the equity shares held in electronic form; and

    b) as Members after giving effect to all valid Equity Share transfers in physical form, which are lodged with the Company or its Registrar & Transfer Agent ("RTA"), Karvy Computershare Private Limited, on or before Monday, 11th September 2017.

    Equity Shares, that may be allotted upon exercise of stock option granted under the

Employee Stock Option Scheme(s) before the book closure date, shall rank *pari passu* with the existing Equity Shares and shall also be entitled to receive the dividend, if approved at the meeting.

12. a) Members are advised to avail of the facility for receipt of future dividends through National Electronic Clearing Service (NECS). Members holding shares in dematerialised mode are requested to contact their respective Depository Participants (DPs) for availing NECS facility. Members holding shares in physical form are requested to download the NECS Form from the website of the Company, and the same duly filled up and signed along with a photo copy of a cancelled cheque may be sent to the Company's RTA, Unit: Grasim Industries Limited.

    b) To avoid the incidence of fraudulent encashment of the dividend warrants, Members are requested to intimate the Company's Registrar and Share Transfer Agents under the signature of the Sole/First Joint holder the following information, so that the bank account number, and name and address of the bank can be printed on the dividend warrants:

        1) Name of the Sole/First Joint holder and Folio No.

        2) Particulars of the bank account, viz.:

            i) Name of the bank,

            ii) Name of the branch with IFS Code,

            iii) Complete address of the bank with Pin Code Number,

            iv) Account type, whether savings (SB) or current account (CA), and

            v) Bank Account Number allotted by the Bank.

13. Members who hold shares in the dematerialised form and desire a change/ correction in the bank account details, should intimate the same to their concerned DPs and not to the Company's RTA. Members are also requested to give the MICR Code of their banks to their DPs. The Company/Company's RTA will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered as will be furnished by the DPs to the Company.

14. Shareholders are requested to read the "Shareholder Information" section of the Annual Report for useful information.

15. Members, desirous of obtaining any information/clarification on the Accounts and Operations of the Company, are requested to address their communication to the Company at its registered office, so as to reach at least one week before the date of the Meeting, so that the required information can be made available at the Meeting, to the extent possible.

16. Additional information, pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)] and Secretarial Standards on General Meetings, in respect of the Directors seeking appointment/ re-appointment at the AGM, is furnished as Annexure to the Notice. The Director has furnished consent/declaration for his appointment/re-appointment as required under the Act and the Rules thereunder.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs, and those holding shares in physical form are requested to submit their PAN to the Company's Registrar and Share Transfer Agent.

18. Pursuant to the provisions of Sections 101 and 136 of the Act, read with the relevant Rules made thereunder, companies can serve Annual Reports and other communications

through electronic mode to those members who have registered their e-mail addresses either with their DPs or the Company. The Notice of this AGM, along with the Annual Report for the year ended 31st March 2017, is being sent by electronic mode to those members whose e-mail addresses are registered with the DPs/Company, unless a member has requested for a physical copy of the same. Physical copies of the Annual Report are being sent by the permitted mode to those members who have not registered their e-mail addresses. The Annual Report for the year ended 31st March 2017, circulated to the members is also available on the Company's website, www.grasim.com.

Members holding shares in physical mode are requested to register their e-mail address with the Company's Registrar and Share Transfer Agents, and Members holding shares in demat mode are requested to register their e-mail address with their respective DPs, in case the same is still not registered.

If there is any change in the e-mail address already registered with the Company, Members are requested to immediately notify such change to the Company's Registrar and Share Transfer Agents in respect of shares held in physical form, and to their DPs in respect of shares held in electronic form.

19. **Instructions for Remote e-voting**

In compliance with the provisions of Section 108 and other applicable provisions of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (LODR), the Company is providing its Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting ("AGM") by electronic means, and the business may be transacted through remote e-voting platform, provided by Karvy Computershare Private Limited ("Karvy"). The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM (remote e-voting).

The procedure and instructions for remote e-voting are as follows:

A. In case a Member receives an e-mail from Karvy (for Members whose e-mail addresses are registered with the Company/Depository Participants):

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e., User ID and Password). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.

iii. After entering these details appropriately, Click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person, and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT", i.e., Grasim Industries Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned

hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST", it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/demat account.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: scrutinizer.grasim@adityabirla.com with a copy marked to evoting@karvy.com. The scanned image of the abovementioned documents should be in the naming format "Corporate Name_ EVENT NO."

B. In case a Member receives physical copy of the Notice of AGM (for Members whose e-mail IDs are not registered with the Company/ Depository Participant or requesting physical copy):

i. Initial Password is provided, as below, at the bottom of the Attendance Slip for the AGM.

User ID	Password/PIN
--	--

ii. Please follow all steps from Sr. No. (i) to Sr. No. (xii) above in (A), to cast your vote.

C. Other Instructions:

i. The remote e-voting period commences on Tuesday, 19th September 2017 (9.00 a.m. IST) and ends on Thursday, 21st September 2017 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on 15th September 2017, i.e., **Cut-Off date,** may cast their vote electronically. A person who is not a Member as on the Cut-Off date should treat this Notice for information purposes only. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

ii. Mr. Ashish Garg, Practicing Company Secretary (FCS 5181 & C.P. No. 4423), has been appointed as the Scrutiniser to scrutinise the remote e-voting process and the voting process at the AGM in a fair and transparent manner.

iii. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their vote again.

iv. At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman will order voting for all those Members who are present but have not cast their vote electronically using the remote e-voting facility.

v. The voting rights of the Members shall be in proportion to their shares in the paid-up Equity Share Capital of the Company as on Cut-Off date, i.e., Friday, 15th September 2017.

vi. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares as of the Cut-Off date, i.e., 15th September 2017, may

obtain the login ID and password by sending a request at evoting@karvy.com. However, if any such person is already registered with Karvy for remote e-voting then he can use his existing User ID and Password in the manner as mentioned below:

(a) If the mobile number of the member is registered against Folio No./DP ID-Client ID, the member may send SMS: MYEPWD<space> E-voting Event Number + Folio No. or DP ID-Client ID to +91 9212993399.

Example for NSDL :

MYEPWD<SPACE>IN12345612345678

Example for CDSL :

MYEPWD<SPACE>1402345612345678

Example for Physical :

MYEPWD<SPACE>XXX1234567890

(b) If e-mail address of the Member is registered against Folio No./ DP-ID Client ID, then on the home page of https://evoting.karvy.com, the member may click 'Forgot password" and enter Folio No. or DP ID-Client ID and PAN to generate a password.

(c) Members may call Karvy's toll-free number 1-800-3454-001.

(d) Members may send an e-mail request to evoting: evoting@karvy.com. If the Member is already registered with the Karvy e-voting platform then such member can use his/her existing User ID and Password for casting the vote through remote e-voting.

vii. The Scrutiniser shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in employment of the Company, and make, not later than three days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorised by the Chairman in writing, who shall counter-sign the same and declare the result of the voting forthwith. The Scrutiniser's decision on the validity of the vote shall be final and binding.

The results declared by the Chairman of the Meeting or a person authorised by him, along with the Scrutiniser's Report, shall be displayed on the Notice board at the registered office of the Company, and shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, and the same shall simultaneously be placed on the Company's website, www.grasim.com and on the website of Karvy www.evoting.karvy.com.

viii. The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of remote e-voting and the voting held at the AGM.

20. Members/Proxies should bring their Attendance Slip sent herewith, duly filled in, for attending the Meeting.

21. Members are requested to contact M/s. Karvy Computershare Private Limited/Share Department of the Company for encashing the unclaimed dividends standing to the credit of their accounts.The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Centre' page on the website of the Company, www.grasim.com.

Pursuant to Section 124 and other applicable provisions, if any, of the Companies Act, 2013, all unpaid and unclaimed dividend, remaining unpaid and unclaimed for a period of 7 (seven) years from the date they became due for payment, have been transferred to the General Reserve Account/Investor Education and Protection Fund (IEPF), established

by the Central Government. Accordingly, unpaid and unclaimed dividend upto the year ended 31st March 2009, has already been transferred to the said Account/Fund. Shareholders, who have so far not encashed the dividend warrant(s) for the year ended 31st March 2010, or any subsequent years, are requested to make their claims to the Company's RTA on or before 30th August 2017, failing which the unpaid/unclaimed amount will be transferred to the IEPF.

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), in addition to the unpaid or unclaimed dividend, which is required to be transferred by the Company to IEPF, Equity Shares relating to such unpaid/unclaimed dividend are also required to be transferred to an account, viz., the IEPF Suspense Account. Members are requested to take note of the aforesaid newly notified sections of the Act, and claim their unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF Suspense Account.

Details of unpaid/unclaimed dividend is uploaded on the website of the Company and also on the website of the Ministry of Corporate Affairs ("MCA"), Government of India, before transferring to IEPF. The Company provides opportunity to the shareholders to claim the unpaid/unclaimed dividend due to them, failing which shares (held either in physical or electronic mode) shall be transferred by the Company to IEPF Suspense Account. Shareholders can, however, claim both the unclaimed dividend amount and the Equity Shares transferred to IEPF Suspense Account from the IEPF Authority, by making an application in the manner specified under the IEPF Rules.

Pursuant to the provisions of Sections 124 and 125 of the Act and the IEPF Rules, as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Suspense Account, after complying with the procedure laid down under the IEPF Rules. The Company, in compliance with the aforesaid IEPF Rules, has sent individual notices to those shareholders whose shares are liable to be transferred to IEPF Suspense Account, and has also published notice in the newspapers. The Company has also uploaded full details of such shares due for transfer, as well as unclaimed dividends on the website of the Company www.grasim.com. Shareholders are requested to verify the details of unclaimed dividends and the shares liable to be transferred to the IEPF Suspense Account.

22. Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries. Members may visit http://karisma.karvy.com and click on Members option for query registration through free identity registration process.

23. The Audited Accounts of the Company and its subsidiary companies are available on the Company's website, www.grasim.com.

24. The annual accounts of the Company's subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.

25. The route map of the venue of the Meeting is annexed to the Notice. The prominent landmark for the venue is that it is close to Indubhai Parekh Memorial Hospital, Nagda - 456 331, Madhya Pradesh.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 4 & 5

The shareholders at the 69th Annual General Meeting of the Company (AGM) had approved the appointment of B S R & Co. LLP, Chartered Accountants (Registration No.101248W/W-100022), as one of the Joint Statutory Auditors of the Company for a period of five years, i.e., to hold office from the conclusion of the 69th AGM till the conclusion of the 74th AGM, to be held in the year 2021, subject to ratification of their appointment by the shareholders at every AGM. Accordingly, ratification by the shareholders is sought for appointment of B S R & Co. LLP, Chartered Accountants, in the resolution as set out in Item No. 4 of this Notice.

Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transition period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as an auditor in the same company. M/s. G. P. Kapadia & Co., Chartered Accountants (Registration No. 104768W), have been one of the Joint Statutory Auditors of the Company for over 10 years, before the Act was notified, and will be completing the maximum number of transition period (three years) at the ensuing AGM.

As proposed by the Audit Committee of the Board of Directors of the Company, the Board at its meeting, held on 19th May 2017, recommended the appointment of S R B C & Co, LLP, Chartered Accountants (Registration No. 324982E) (S R B C), as one of the Joint Statutory Auditors of the Company in place of M/s. G. P. Kapadia & Co., Chartered Accountants (Registration No. 104768W). S R B C will hold office for a period of five consecutive years from the conclusion of the Seventieth AGM till the conclusion of Seventy-fifth AGM, to be held in the year 2022, subject to ratification of their appointment by the shareholders at every AGM, on a remuneration that may be determined by the Audit Committee/ Board of Directors of the Company, in consultation with the Statutory Auditors.

Consent of the Joint Statutory Auditors and Certificate u/s 139 of the Act have been obtained from each of the Joint Statutory Auditors to the effect that their appointment/re-appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (LODR), B S R & Co. LLP and S R B C & Co, LLP, Chartered Accountants, have also confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Board commends the Ordinary Resolutions as set out in Item Nos. 4 & 5 of this Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the said Resolutions.

Item No. 6

Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, states that a company may make private placement of its securities, provided that the previous approval of the shareholders is obtained for each of the offer or invitation. Proviso to Rule 14(2) states that in case of offer or invitation for non-convertible debentures, it shall be sufficient if the company passes a previous special resolution only once in a year, for all the offers or invitation for such debenture during the year.

In view of the aforesaid provisions and in order to augment long-term resources for meeting capital expenditure, prepayment of high cost debts and/ or general corporate purposes, the Company may offer or invite subscription for secured/unsecured redeemable Non-Convertible Debentures (NCDs), in one or more series/tranches on private placement basis, issuable/redeemable at par on such terms and conditions as the Board of Directors may from time to time determine. The issue price shall be based around the then prevailing market price of similar rated securities issued by other companies.

Accordingly, consent of the Members is sought to enable the Board of Directors of the Company to offer or invite subscription for NCDs, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

Item No. 7

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. D.C. Dave & Co., Cost Accountants, Mumbai (Registration No. 000611), to conduct the audit of the cost records of all the products of the Company, including those of erstwhile Aditya Birla Nuvo Limited (ABNL), at a remuneration not exceeding ₹ 10,00,000/- (Rupees Ten Lakh Fifty Thousand only), plus applicable taxes and reimbursement of out-of-pocket expenses, for the financial year ending 31st March 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors needs to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2017.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the said Resolution set out at Item No. 7 of the Notice.

Item No. 8

In April 2017, Reserve Bank of India (RBI) granted Payments Bank Licence, subject to certain terms and conditions, to Aditya Birla Idea Payments Bank Limited (ABIPBL), a company jointly promoted by the erstwhile Aditya Birla Nuvo Limited (ABNL) and Idea Cellular Limited (Idea). ABNL held 51% of the paid-up capital of ABIPBL and Idea held the remaining 49%.

Consequent to the amalgamation of ABNL with Grasim, ABIPBL has become a subsidiary of Grasim, and in terms of the provisions of the Licence granted by RBI, all ongoing compliances sustained on erstwhile ABNL in its capacity as the promoter of ABIPBL would be applicable to Grasim. One of the conditions of the Licence requires the Company to amend its Articles of Association to reflect the following:

a. No change of shareholding by any person/ group of persons, except Promoters/Persons comprising the Promoter Group/Person acting in concert with the Promoters and Promoter Group of the Company, by way of fresh issue or transfer of shares, to the extent of 5% or more in the Company shall be without the prior approval of RBI, which shall be obtained by such person/group of persons;

b. Not less than 51% of the shareholding of the Company shall be held by residents;

c. Resident shareholders shall have the power to appoint majority of directors on the Board of the Company; and

d. Any action taken, or any amendments of the Articles of the Company that would be in conflict of the aforesaid provisions shall stand void.

In order to comply with the aforesaid terms of Licence, it is proposed to amend the Articles of Association of the Company by inserting new Articles 63A to 63D, after the existing Article 63 of the Articles of Association of the Company, as provided in the Resolution in Item No. 8.

A copy of the Memorandum and Articles of Association of the Company, together with the proposed alteration, is available for inspection by the Members of the Company at the Registered Office between 11:00 a.m. and 2:00 p.m. on all working days of the Company.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution set out at Item No. 8 of the Notice, except to the extent of the Equity Shares held by them in the Company.

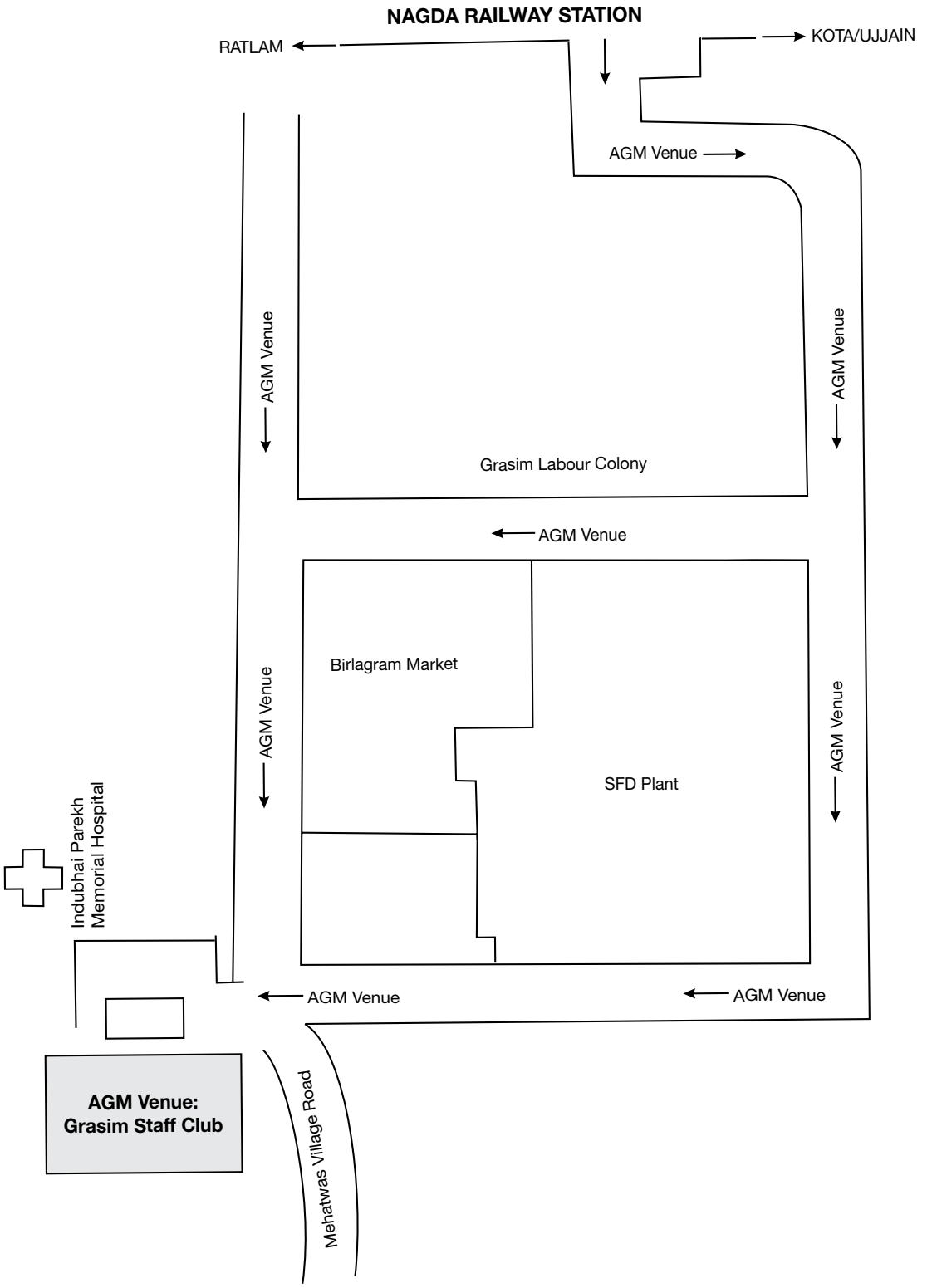
DISCLOSURES RELATING TO DIRECTOR PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARD ON GENERAL MEETINGS:

Name of the Director	Mr. Kumar Mangalam Birla
Date of Birth	14.06.1967
Date of First Appointment	14.10.1992
Expertise in specific functional areas	Industrialist
Qualification	A.C.A., M.B.A.
No. of Equity Shares held (31.03.2017)	1,19,575*
List of outside Company Directorships held in Indian Public Limited Company	Century Textile and Industries Limited Pilani Investment and Industries Corporation Limited UltraTech Cement Limited Hindalco Industries Limited Idea Cellular Limited Birla Sun Life Asset Management Company Limited Birla Sun Life Insurance Company Limited
Chairman/Member of the Committee of the Board of Directors of the Company	-
Chairman/Member of the Committees of the Board of Directors of other Public Limited Companies in which he is a Director **a) Audit Committee** **b) Stakeholders Relationship Committee**	-
Disclosure of Relationship *inter-se*	Son of Mrs. Rajashree Birla

*including shares held in HUF.

Note: Pursuant to Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two Committees, viz., Audit Committee and Stakeholders Relationship Committee have been considered.

Route Map to the Venue of the Annual General Meeting



GRASIM INDUSTRIES LIMITED

Registered Office: Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India

CIN: L17124MP1947PLC000410

Tel No.: 07366 - 246760; Fax: 07366 - 244114; E-mail: grasim.secretarial@adityabirla.com; Website: www.grasim.com

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....

Registered Address : .....

E-mail ID : .....

Folio No./ DP ID and Client ID : .....

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint:

1. Name .....
   Address : .....
   E-mail ID : .....
   Signature : ..... or failing him/her;
2. Name .....
   Address : .....
   E-mail ID : .....
   Signature : ..... or failing him/her;
3. Name .....
   Address : .....
   E-mail ID : .....
   Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70th Annual General Meeting of the Company, to be held on Friday, 22nd September 2017 at 11.00 A.M. at Grasim Staff Club, Birlagram, Nagda - 456 331, District Ujjain, Madhya Pradesh, and at any adjournment thereof in respect of such resolutions and as indicated below:

Tear Here

Item No.	Description of the Resolution	FOR	AGAINST
1.	Adoption of the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March 2017, together with the Reports of the Board of Directors and Auditors thereon.		
2.	Declaration of Dividend on Equity Shares for the financial year ended 31st March 2017.		
3.	Appointment of Director in place of Mr. Kumar Mangalam Birla (DIN: 00012813), who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Ratification of appointment of M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), as the Joint Statutory Auditors of the Company and to fix their remuneration.		
5.	Appointment of S R B C & Co., LLP, Chartered Accountants (Registration No. 324982E), as the Joint Statutory Auditors of the Company and to fix their remuneration.		
6.	Issuance of Non-Convertible Debentures on private placement basis.		
7.	Ratification of the remuneration of the Cost Auditor M/s. D.C. Dave & Co., Cost Accountants (Registration No. 000611), for financial year ending 31st March 2018.		
8.	Alteration of Articles of Association of the Company.		

Signed this ..... day of 2017

Affix Revenue Stamp

.....
Signature of Member(s)

.....	.....	.....
Signature of first proxy holder	Signature of second proxy holder	Signature of third proxy holder

Note:

a. **This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

b. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 70th Annual General Meeting.

c. It is optional to put an "X" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against the Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.

d. Please complete all details including the details of Member(s) in the above box, before submission.