



GRASIM INDUSTRIES LIMITED

ANNUAL REPORT  
2014 - 2015

# BIG IN YOUR LIFE



AMONG GLOBAL LEADERS  
IN CEMENT AND  
NO. 1 IN INDIA



## **Mr. Aditya Vikram Birla**

Our legendary leader. His ideals guide us.

Integrity, Commitment, Passion, Seamlessness and Speed.





## Dr. Sarala Birla

was an iconic humanitarian.

A highly progressive person, she was way ahead of the times.

An educationist, a philanthropist, a patron of the arts,

Dr. Sarala Birla was an exemplar of all that is best in mankind.

Her legacy of values will be cherished forever.

**Dear Shareholders,****The global scenario**

The year 2014-15 continued to be a challenging year. The global economy growth was 3.4%, unchanged over the previous year. The world's largest economy, the US saw better growth, while the countries in the Euro zone registered marginal growth. There was a marked slowdown in China, and Japan witnessed near stagnation.

The key factors that affected the global economy included a steep decline in oil and commodity prices, and monetary easing by central banks in the US, EU and Japan. The global financial markets experienced heightened volatility, largely due to expectations of a tightening of monetary policy by the US Federal Reserve. The impasse on resolving the debt crisis in Greece added to the uncertainty. Geopolitical risks compounded the situation.

The IMF has projected economic growth at 3.3% in 2015, marginally lower than the growth recorded in 2014.

**The domestic scenario**

Among all the developing economies, India was a notable exception, with growth increasing to 7.3% in 2014.



Agriculture recorded a growth of only 0.2%, given the subnormal monsoon. This was compensated by a more vigorous manufacturing sector, which grew at 7.1% in FY 2014-15, compared to 5.3% in FY 2013-14. Headline inflation fell sharply to 5%.

On the external front, India's vulnerability has reduced with the current account deficit contained at below 2% of GDP and a relatively stable currency. The monetary policy through the year was largely accommodative.

A slew of initiatives reinforced the positive macro factors. One must particularly mention the deregulation of diesel prices, reforms in the coal and mineral sectors, measures to boost FDI, and faster environmental clearances. The buoyant investor sentiment was manifest in capital inflows of \$ 73 billion. As infrastructure projects get off the ground, the prospects for a revival of the capital investment cycle seem very strong.

### Your Company performance

Your Company has posted a consolidated turnover of \$ 5.4 billion (₹ 32,847 Crore) and an EBIDTA at \$ 930 million (₹ 5,683 Crore).

### Pulp & Fibre

Facing extremely challenging market conditions, fuelled by huge global over capacity and disruptive pricing by the Chinese players, our Pulp & Fibre business attained revenues of \$ 1.1 billion (₹ 6,643 Crore) with EBIDTA of \$ 75 million (₹ 459 Crore).

The Greenfield plant at Vilayat has been commissioned which has resulted into an increase in capacity from 378K TPA to 498K TPA.

Continued strong operational improvements and far more stringent & higher quality standards have brought Birla Viscose at par with the best in its class.

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The business saw a 15% surge in speciality fibres sales and this has also resulted in drawing several premium customers to our products. The Company has also started manufacturing fire retardant fibre. The launch of LIVA brand in India and the formation of LAPF (LIVA Accredited Partner Forum) has brought the business closer to the customers and created a pull for fabrics from our fibres from key brands and customers.

### Cement

With the acquisition of the Gujarat assets of Jaypee Cement Corporation and the commissioning of Greenfield and Brownfield expansions, UltraTech's cement capacity has risen to 63 million tons from 57 million tons in the previous year.

With the addition of 73 MW to our power capacity, our total power capacity stands raised to 754 MW. The Company bid successfully for the Bicharpur coal mines having coal reserves of 29.12 million metric tons. This will accord fuel security for nearly 10% of our existing coal requirements.

Despite the subdued demand, UltraTech attained revenues of \$ 4 billion (₹ 24,349 Crore), a growth of 12% and a healthy EBITDA margin of 19% at \$ 781 million (₹ 4,776 Crore).

### Merger of Aditya Birla Chemicals (India) Limited (ABCIL) with Grasim

The proposed merger of ABCIL – one of our Group companies with Grasim, announced earlier is a forward step to consolidate our Chemicals business. It will consolidate Aditya Birla Group's Chlor – Alkali business into Grasim and strengthen its existing portfolio of viscose staple fibre, caustic soda and allied chemicals at standalone level. The merger will enable the geographical diversification for Grasim through the addition of ABCIL's manufacturing

facilities spread across the country. It also enables the business to capitalise growth opportunities by bringing in operational and financial synergies, backed by Grasim's strength. The consolidation is in line with our Group's philosophy to unify similar business in one company.

## Outlook

The outlook for the VSF sector remains challenging in the near term, given the overcapacity in the sector and the sharp reduction in prices of Polyester and Cotton. Our new plant at Vilayat, which has higher share of speciality products, will improve the product mix and profitability. The focus on cost optimisation continues relentlessly.

In the Chemical business, the Company will benefit from additional volumes on the merger of ABCIL and the ramping up of Epoxy operations.

The demand for Cement is expected to improve as it is linked with the GDP. The key drivers will be the revival of infrastructure projects supplemented by regulatory reforms and improvement in the demand for housing with the softening of interest rates. UltraTech, with its existing and proposed capacity, is well placed to benefit from the accelerated growth in the sector.

Grasim is well-poised to benefit from the expected upturn in the economy given its leadership position in all its businesses and large investments for growth.

## To our teams

I would like to acknowledge the contribution of our teams in India and across the world. I believe, it is our people, who underpin everything else. They are the ultimate reason why we meet with success, in the face of all odds, year after year. Their commitment and dedication is beyond words.

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*Grasim is well-poised to benefit from the expected upturn in the economy given its leadership position in all its businesses and large investments for growth.*

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*We have had a good year at the Group level. Our Group's consolidated revenue crossed the Rupees 2.5 trillion mark, setting a new milestone.*

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### The Aditya Birla Group: In perspective

We have had a good year at the Group level. Our Group's consolidated revenue crossed the ₹ 2.5 trillion mark, setting a new milestone. We are up 9% over the last year. In dollar terms as well, regardless of the ups and downs in foreign currency, we reported revenues of \$ 41 billion, an 8% rise. Over 50% of our Group's revenues flow in from our global operations.

I believe, that the bottom line and the cash in the till is a greater parameter to gauge performance rather than simply revenues. On this score too, we have done well.

Our EBIDTA in Rupee terms is an impressive ₹ 322 billion, again over 9% vis-à-vis FY14. In dollar terms, we achieved an EBIDTA of \$ 5.25 billion, reflecting an 8% rise over that of the last year.

I deeply believe that building our future can only be possible by building more leaders and through people development processes. Towards this, our endeavours continue to deliver results. Two of our programmes deserve a special mention. **"Cutting Edge"** – our leadership programme targeted at developing P&L leaders and **"Turning Point"** – aimed at building cost centre leaders and unit heads, have proved very promising. Over 70 talented managers have graduated from these programmes and have taken on leadership roles at senior levels.

At the same time, our senior leaders are being actively encouraged to take on cross business roles to gain multi-sectoral experience.

We have a bench strength of over 250 youngsters who joined us 5 years ago as Group Management Trainees, and Leadership Associate Programme (Lead) and Leadership Programme for Experienced (Leap) members, have demonstrated great potential and grown significantly. Some of them are already in



key positions. I hope to see many of them occupy positions of critical importance in our businesses in the near future. As part of our globalisation agenda we have also been recruiting both interns and Lead and Leap participants from renowned International Business Schools.

Similarly, our **GMLP** – Global Manufacturing Leadership Programme, aimed at reinforcing our technical and manufacturing strength is paying a rich dividend. The Aditya Birla Group is being increasingly viewed as the most aspirational place for manufacturing professionals in India.

Our focus on gender diversity and creating enabling policies and programmes to ensure that we provide a conducive, encouraging and an equitable place for women to thrive and excel is gaining momentum. We have launched “Spring Board”, the accelerated women’s leadership development programme, designed for high calibre women managers. Currently, we have more than 150 women positioned at middle management and senior management levels.

**Gyanodaya**, our in-house world-class university, has aligned with the best-in-class global business schools, professors and consultants among others. Many of our best talent is also enlisted for short-term courses at these institutions. Such a cross pollination and stoking of the intellect enables us move with the times and are continuously learning.

### **Ranked No. 1 in the Nielsen Corporate Image Monitor**

We are humbled that for the third year running, our Group has been ranked No.1 in the Nielsen Corporate Image Monitor 2014-15. We have emerged as ‘Best in Class’ across most of the pillars. This is a remarkable vote of confidence by the stakeholder constituency in our leadership teams. It is a testament to our “Group brand, governance standards, transparency,

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*Our focus on gender diversity and creating enabling policies and programmes to ensure that we provide a conducive, encouraging and an equitable place for women to thrive and excel is gaining momentum.*

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customer primacy and CSR engagement. The six pillars of Corporate Image on which organisations are engaged comprise of Vision and Leadership, Product & Service quality, Workplace Management, Financial Performance, Operating style and Social responsibility". Nielsen's Corporate Image Monitor measures the reputation of the 42 leading companies in India across sectors (based on the Bombay Stock Exchange list and the Economic Times Ranked Top 50 Companies) and "the findings serve as an important indicator of the strength of the corporate brand".

### **In sum**

We are gearing to ensure that we have the right talent at the right time and at the right place for each of our businesses. Additionally, enhancing customer centricity and excellence capability by developing customer value propositions that are unmatched, stepping up the focus on R&D to increase the share of value-added products across businesses, are our focus areas. The thrust on digitisation across our business processes and using analytics and big data continue. These are our steps towards accelerating top-line and bottom-line growth and enhancing stakeholder value.

Yours sincerely,



Kumar Mangalam Birla

From being in every second can in the world, to shaping automobiles  
From building your homes to the highways that get you there  
From inks, dyes, plastics to every fifth tyre in the world  
From securing futures to empowering over six million dreams  
From connecting the world to enabling over a billion conversations a day  
From styling your wardrobe every three seconds, to bringing you the world of fashion

...We are a big part of your life,  
because we know every small  
moment, is big for you!

**BIG  
IN YOUR  
LIFE**

As a leader in Viscose Staple Fibre (VSF), Cement and Chemicals sector, and one of the flagship companies of the Aditya Birla Group, Grasim plays a vital role.

We are a part of your day to day life through our products:

- Fibre which are extremely versatile, easily blendable and are used across textile products in apparels, home textiles, dress material, knitted wear and non-woven applications
- Cement which is used from homes to highways to build structures that are not only strong and durable, but also aesthetically appealing
- Caustic soda which is used in the manufacturing of soap, detergent, pulp and paper, VSF etc. and various chlorine derivatives in water treatment and public health, etc.





**Mrs. Rajashree Birla**  
Non-Executive Director



**Mr. K. K. Maheshwari**  
Managing Director



**Mr. Sushil Agarwal**  
Whole-time Director & CFO



**Mr. Kumar Mangalam Birla**  
Non-Executive Chairman



**Mr. M. L. Apte**  
Independent Director



**Mr. B. V. Bhargava**  
Independent Director



**Mr. R. C. Bhargava**  
Independent Director



**Dr. Thomas M. Connelly Jr.**  
Independent Director



**Mr. Om Prakash Rungta**  
Independent Director



**Mr. Cyril Shroff**  
Independent Director



**Mr. Shailendra K. Jain**  
Non-Executive Director



**Mr. N. Mohan Raj**  
Nominee of LIC

**KEY MANAGERIAL PERSONNEL/SENIOR MANAGEMENT TEAM****MANAGING DIRECTOR**

Mr. K. K. Maheshwari

**WHOLE-TIME DIRECTOR  
& CHIEF FINANCIAL OFFICER**

Mr. Sushil Agarwal

**COMPANY SECRETARY**

Mrs. Hutokshi Wadia

**FIBRE & PULP BUSINESS**

|                      |   |
|----------------------|---|
| Mr. K. K. Maheshwari | Business Director                         |
| 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. Arun Gaur        | Chief Human Resource Officer              |
| Mr. Anil Rustogi     | Sr. President & Dy. CFO                   |
| Mr. S. K. Saboo      | Advisor                                   |
| Mr. Vijay Kaul       | Advisor                                   |

**CEMENT BUSINESS (UltraTech Cement Limited)**

|                      |                         |
|----------------------|-------------------------|
| Mr. O. P. Puranmalka | Managing Director       |
| Mr. Dilip Gaur       | Dy. Managing Director   |
| Mr. Atul Daga        | Chief Financial Officer |
| Mr. Vivek Agrawal    | Chief Marketing Officer |

**CHEMICAL BUSINESS**

|                       |                              |
|-----------------------|------------------------------|
| Mr. Lalit Naik        | Business Head                |
| Mr. K. C. Jhanwar     | Group Executive President    |
| Mr. G. K. Tulsian     | Executive President          |
| Mr. Ramesh Mitragotri | Chief Human Resource Officer |

**TEXTILE BUSINESS**

|                       |                        |
|-----------------------|------------------------|
| Mr. Thomas Varghese   | Business Head          |
| Mr. S. Krishnamoorthy | CEO, Domestic Textiles |

**CORPORATE FINANCE DIVISION**

|                     |                     |
|---------------------|---------------------|
| Mr. Pavan K. Jain   | Executive President |
| Mr. Hemant K. Kadel | Executive President |

**STATUTORY AUDITORS**

M/s G. P. Kapadia & Co., Mumbai  
Deloitte Haskins & Sells LLP, Mumbai

**SOLICITORS**

M/s Cyril Amarchand Mangaldas

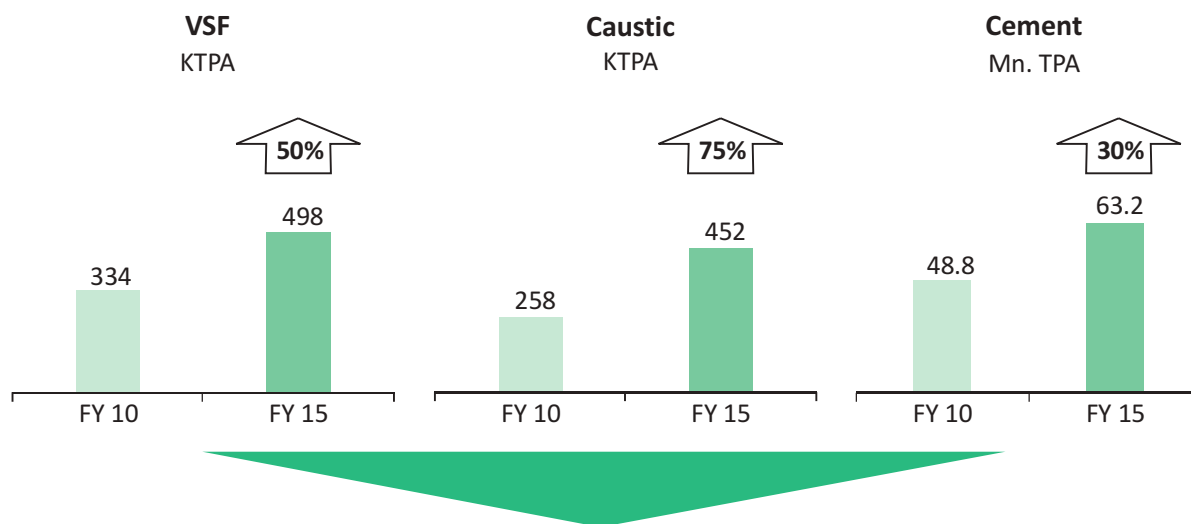
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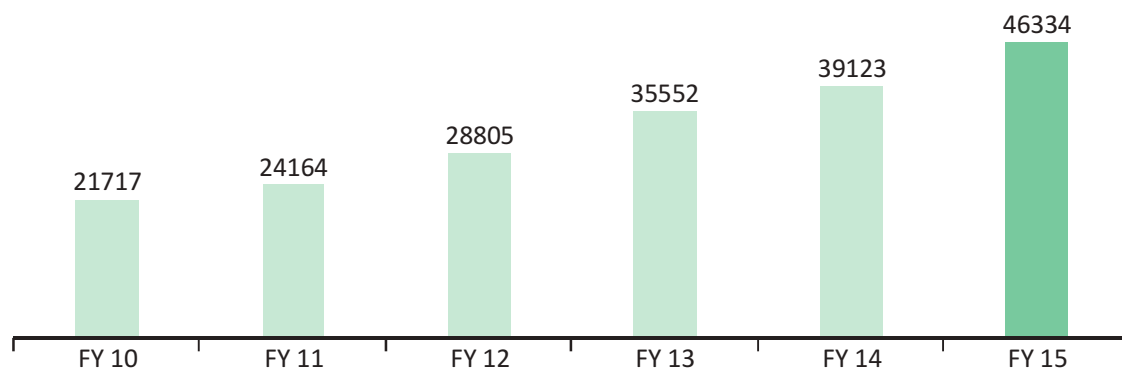
**Registered Office:**

Birlagram, Nagda 456 331 (M.P.)  
CIN: L17124MP1947PLC000410  
[www.grasim.com/www.adityabirla.com](http://www.grasim.com/www.adityabirla.com)

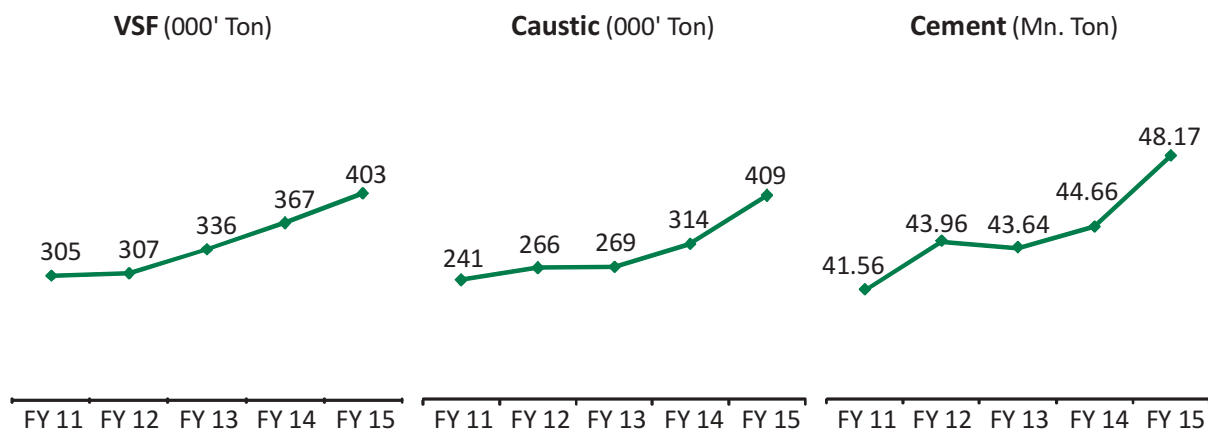
**Substantial Investment made across Businesses – US \$ 4 Bn. over last five years....**



**Gross Fixed Assets (₹ Cr.)**

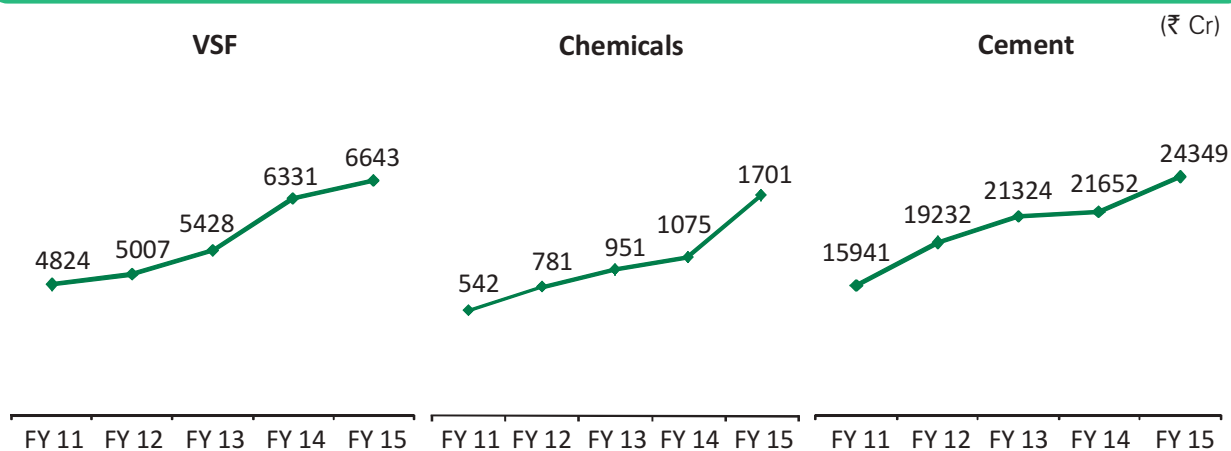


**.....Driving Robust Volume Growth**

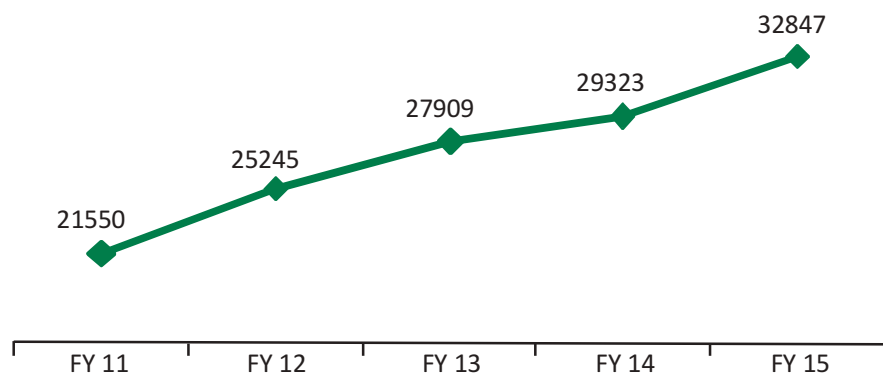




## .....and Revenue Growth

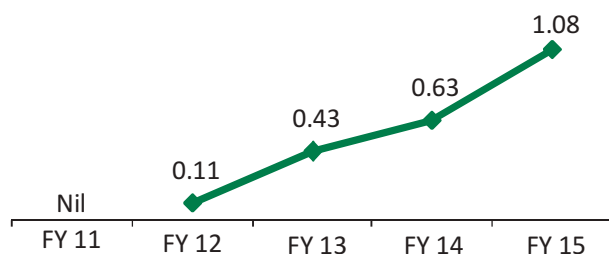


## Grasim Consolidated Revenue

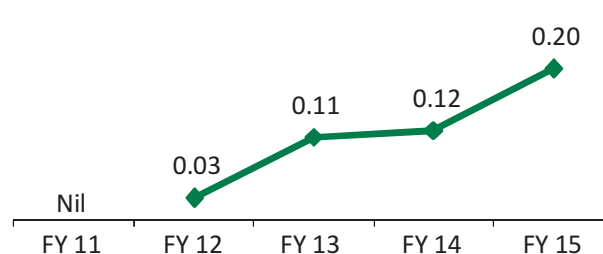


## Balance Sheet Continues to be Strong – Net worth of ~ US \$ 4 Bn.

## Net Debt to PBIDT



## Net Debt to Equity



| Year →   | Unit                             | 2014-15      | 2013-14      | 2012-13      | 2011-12           | 2010-11      |
|--|----------------------------------|--------------|--------------|--------------|-------------------|--------------|
| <b>Production</b>                                |                                  |              |              |              |                   |              |
| Grey Cement                                      | Mn. Tons                         | 46.71        | 43.60        | 42.59        | 42.11             | 39.67        |
| Ready-Mix Concrete                               | Mn. Cu. Mtrs.                    | 4.59         | 4.76         | 5.21         | 4.84              | 4.39         |
| White Cement & Putty                             | Lakh Tons                        | 12.04        | 11.67        | 10.20        | 9.18              | 8.36         |
| Viscose Staple Fibre                             | Lakh Tons                        | 4.08         | 3.61         | 3.37         | 3.21              | 3.05         |
| Caustic Soda                                     | Lakh Tons                        | 4.12         | 3.13         | 2.70         | 2.60              | 2.42         |
| <b>Turnover *</b>                                |                                  |              |              |              |                   |              |
| Grey Cement (Incl. Clinker)                      | Mn. Tons                         | 48.17        | 44.66        | 43.64        | 43.96             | 41.56        |
| Ready-Mix Concrete                               | Mn. Cu. Mtrs.                    | 4.59         | 4.76         | 5.21         | 4.84              | 4.39         |
| White Cement & Putty                             | Lakh Tons                        | 12.24        | 11.41        | 10.18        | 9.23              | 8.38         |
| Viscose Staple Fibre                             | Lakh Tons                        | 4.03         | 3.67         | 3.36         | 3.07              | 3.05         |
| Caustic Soda                                     | Lakh Tons                        | 4.09         | 3.14         | 2.69         | 2.66              | 2.41         |
| * Including Captive Consumption                  |                                  |              |              |              |                   |              |
| <b>Profit and Loss Account</b>                   |                                  |              |              |              |                   |              |
| <b>Revenue from Operations (Net)</b>             | <b>(USD Million<sup>1</sup>)</b> |              |              |              | <b>₹ in Crore</b> |              |
| Cement   | 3982                             | 24349        | 21652        | 21324        | 19232             | 15941        |
| Viscose Staple Fibre                             | 1087                             | 6643         | 6331         | 5428         | 5007              | 4824         |
| Chemicals  | 278                              | 1701         | 1075         | 951          | 781               | 542          |
| Others   | 104                              | 636          | 615          | 544          | 484               | 419          |
| Inter-segment Elimination                        | -79                              | -482         | -349         | -338         | -259              | -176         |
| <b>Total Net Revenue</b>                         | <b>5372</b>                      | <b>32847</b> | <b>29323</b> | <b>27909</b> | <b>25245</b>      | <b>21550</b> |
| <b>PBIDT</b>                                     |                                  |              |              |              |                   |              |
| Cement <sup>§</sup>                              | 732                              | 4476         | 4086         | 4872         | 4283              | 3345         |
| Viscose Staple Fibre                             | 75                               | 459          | 716          | 901          | 1274              | 1628         |
| Chemicals  | 48                               | 292          | 225          | 245          | 161               | 124          |
| Others / Unallocated / Inter-segment Elimination | 75                               | 456          | 464          | 525          | 603               | 297          |
| <b>Total PBIDT</b>                               | <b>930</b>                       | <b>5683</b>  | <b>5491</b>  | <b>6543</b>  | <b>6321</b>       | <b>5395</b>  |
| Interest   | 109                              | 667          | 447          | 324          | 314               | 407          |
| <b>Gross Profit (PBDT)</b>                       | <b>820</b>                       | <b>5016</b>  | <b>5044</b>  | <b>6219</b>  | <b>6007</b>       | <b>4988</b>  |
| Depreciation                                     | 256                              | 1563         | 1457         | 1252         | 1155              | 1139         |
| <b>Profit Before Tax and Exceptional Items</b>   | <b>565</b>                       | <b>3453</b>  | <b>3586</b>  | <b>4967</b>  | <b>4852</b>       | <b>3849</b>  |
| Exceptional Items (EI)                           | -2                               | -9           | -            | 204          | -                 | -            |
| <b>Profit Before Tax</b>                         | <b>563</b>                       | <b>3443</b>  | <b>3586</b>  | <b>5171</b>  | <b>4852</b>       | <b>3849</b>  |
| Total Tax Expenses                               | 166                              | 1016         | 735          | 1467         | 1321              | 954          |
| <b>Net Profit Before Minority Interest</b>       | <b>397</b>                       | <b>2427</b>  | <b>2851</b>  | <b>3704</b>  | <b>3531</b>       | <b>2895</b>  |
| Less: Minority Interest                          | 137                              | 838          | 883          | 1074         | 947               | 660          |
| Add: Share in Profit/(Loss) of Associate #       | 25                               | 154          | 103          | 74           | 63                | 44           |
| <b>Net Profit</b>                                | <b>285</b>                       | <b>1744</b>  | <b>2072</b>  | <b>2704</b>  | <b>2647</b>       | <b>2279</b>  |

<sup>§</sup> Income of UltraTech Cement related to unallocated corporate capital employed included in unallocated PBIDT.

#Results of Domsjo consolidated as JV w.e.f. 1st Oct '12 as against 'Associate' till 30th Sep '12.

Note <sup>1</sup> - 1 USD = INR 61.14

|   |   |        | ₹ in Crore |         |         |         |
|---|---|--------|------------|---------|---------|---------|
|   | 2014-15<br>(USD<br>Million <sup>2</sup> ) |        | 2013-14    | 2012-13 | 2011-12 | 2010-11 |
| Balance Sheet   |   |        |            |         |         |         |
| Net Fixed Assets<br>(incl. CWIP and Capital Advances)   | 5129                                      | 32057  | 26943      | 24771   | 19312   | 15789   |
| Long-Term Loans and Advances  | 245                                       | 1533   | 880        | 457     | 334     | 202     |
| Non-Current and Current Investments   | 1161                                      | 7255   | 7611       | 8011    | 7876    | 7933    |
| Goodwill  | 525                                       | 3283   | 3277       | 3010    | 2496    | 2419    |
| Current Assets<br>(excluding Current Investments)   | 1585                                      | 9907   | 9025       | 7874    | 6513    | 5678    |
|   | 8646                                      | 54035  | 47736      | 44123   | 36531   | 32021   |
| Equity Share Capital  | 15  | 92     | 92         | 92      | 92      | 92      |
| Share Capital (Other than Equity)   | 9   | 59     | 45         | 43      | 42      | 38      |
| Reserves and Surplus  | 3678                                      | 22989  | 21478      | 19522   | 16935   | 14444   |
| Net Worth   | 3703                                      | 23140  | 21614      | 19657   | 17069   | 14573   |
| Minority Interest   | 1229                                      | 7682   | 6936       | 6221    | 5233    | 4351    |
| Deferred Tax Liabilities (Net)  | 546                                       | 3410   | 2803       | 2301    | 1979    | 1962    |
| Long-Term Liabilities & Provisions  | 47  | 297    | 220        | 205     | 189     | 166     |
| Total Loan Funds <sup>3</sup>   | 1909                                      | 11930  | 9681       | 9550    | 7038    | 6783    |
| Current Liabilities <sup>3</sup>  | 1212                                      | 7576   | 6481       | 6189    | 5023    | 4186    |
|   | 8646                                      | 54035  | 47736      | 44123   | 36531   | 32021   |
| Note <sup>2</sup> - 1 USD = INR 62.50   |   |        |            |         |         |         |
| Note <sup>3</sup> - Short-Term Borrowing and Current Maturities of Long-Term Debts have been included in Total Loan Funds. Current maturities of Long Term Debts have been excluded from Current Liabilities. |   |        |            |         |         |         |
| Ratios and Statistics   |   |        |            |         |         |         |
| PBIDT Margin  | (%)                                       | 17.0   | 18.4       | 22.9    | 24.3    | 24.6    |
| Net Margin  | (%)                                       | 5.3    | 6.9        | 8.8     | 10.5    | 10.6    |
| Interest Cover<br>(PBIDT- Current Tax/ Total Interest)  | (x)                                       | 6.8    | 8.3        | 10.9    | 13.4    | 10.6    |
| ROACE<br>(PBIT/Avg.CE) (Excl. CWIP)   | (%)                                       | 10.5   | 12.1       | 18.4    | 19.4    | 17.2    |
| RONW<br>(PAT before EI/EO/Avg. NW)  | (%)                                       | 7.8    | 10.0       | 13.6    | 16.7    | 16.8    |
| Total Debt Equity Ratio   | (x)                                       | 0.39   | 0.34       | 0.37    | 0.32    | 0.36    |
| Net Debt to Equity Ratio  | (x)                                       | 0.20   | 0.12       | 0.11    | 0.03    | -       |
| Net Debt to PBIDT Ratio   | (x)                                       | 1.08   | 0.63       | 0.43    | 0.11    | -       |
| Basic Earnings per Share<br>(before EI/EO)  | ₹/Share                                   | 190.8  | 225.6      | 272.3   | 288.6   | 248.5   |
| Book Value per Share  | ₹/Share                                   | 2519   | 2352       | 2141    | 1861    | 1589    |
| Market cap  | ₹ crore                                   | 33,270 | 26,506     | 25,806  | 23,989  | 22,347  |



| Year →   | ₹ in Crore                       |              |              |              |              |              |
|--|----------------------------------|--------------|--------------|--------------|--------------|--------------|
|  | 2014-15                          | 2013-14      | 2012-13      | 2011-12      | 2010-11      |              |
| <b>Profit and Loss Account</b>                         | <b>(USD Million<sup>1</sup>)</b> |              |              |              |              |              |
| <b>Revenue from Operations (Net)</b>                   | <b>1036</b>                      | <b>6333</b>  | <b>5604</b>  | <b>5255</b>  | <b>4974</b>  | <b>4640</b>  |
| <b>PBIDT</b>   | <b>166</b>                       | <b>1013</b>  | <b>1246</b>  | <b>1523</b>  | <b>1722</b>  | <b>1817</b>  |
| Interest   | 6                                | 39           | 41           | 39           | 36           | 46           |
| <b>Gross Profit (PBDT)</b>                             | <b>159</b>                       | <b>974</b>   | <b>1205</b>  | <b>1484</b>  | <b>1686</b>  | <b>1771</b>  |
| Depreciation   | 43                               | 263          | 220          | 159          | 144          | 176          |
| <b>Profit Before Tax and Exceptional Items</b>         | <b>116</b>                       | <b>711</b>   | <b>985</b>   | <b>1324</b>  | <b>1542</b>  | <b>1595</b>  |
| Exceptional Items (EI)                                 | -4                               | -26          | -            | 204          | -            | -            |
| <b>Profit Before Tax</b>                               | <b>112</b>                       | <b>685</b>   | <b>985</b>   | <b>1529</b>  | <b>1542</b>  | <b>1595</b>  |
| Total Tax Expense                                      | 25                               | 155          | 89           | 303          | 365          | 413          |
| <b>Net Profit</b>                                      | <b>87</b>                        | <b>530</b>   | <b>896</b>   | <b>1226</b>  | <b>1177</b>  | <b>1182</b>  |
| Equity Dividend (including CTD)                        | 28                               | 169          | 200          | 216          | 218          | 197          |
| <b>Balance Sheet</b>                                   | <b>(USD Million<sup>2</sup>)</b> |              |              |              |              |              |
| Net Fixed Assets<br>(incl. CWIP and Capital Advance)   | 914                              | 5710         | 5495         | 4765         | 2514         | 1643         |
| Long-Term Loans & Advances                             | 73                               | 454          | 339          | 171          | 126          | 98           |
| Non-Current & Current Investments                      | 856                              | 5350         | 5604         | 6224         | 6830         | 6910         |
| Current Assets<br>(excluding Current Investments)      | 456                              | 2853         | 2440         | 1906         | 1567         | 1356         |
|  | <b>2299</b>                      | <b>14367</b> | <b>13878</b> | <b>13066</b> | <b>11036</b> | <b>10007</b> |
| Share Capital  | 15                               | 92           | 92           | 92           | 92           | 92           |
| Reserves and Surplus                                   | 1775                             | 11091        | 10736        | 10030        | 9008         | 8042         |
| Net Worth  | 1789                             | 11183        | 10828        | 10122        | 9099         | 8134         |
| Deferred Tax Liability (Net)                           | 98                               | 615          | 462          | 344          | 239          | 230          |
| Long Term Liabilities & Provisions                     | 14                               | 89           | 57           | 56           | 51           | 47           |
| Total Loan Funds <sup>3</sup>                          | 178                              | 1115         | 1302         | 1284         | 720          | 814          |
| Current Liabilities <sup>3</sup>                       | 219                              | 1366         | 1229         | 1260         | 927          | 782          |
|  | <b>2299</b>                      | <b>14367</b> | <b>13878</b> | <b>13066</b> | <b>11036</b> | <b>10007</b> |
| <b>Ratios and Statistics</b>                           |                                  |              |              |              |              |              |
| PBIDT Margin   | (%)                              | 15.2         | 20.8         | 26.8         | 31.7         | 36.8         |
| Net Margin   | (%)                              | 8.3          | 15.0         | 18.0         | 21.6         | 23.9         |
| Interest Cover<br>(PBIDT - Current Tax/Total Interest) | (x)                              | 13.8         | 13.2         | 21.3         | 36.8         | 30.3         |
| Total Debt to Equity Ratio                             | (x)                              | 0.10         | 0.12         | 0.13         | 0.08         | 0.10         |
| Dividend Per Share                                     | ₹/Share                          | 18.0         | 21.0         | 22.5         | 22.5         | 20.0         |
| Basic Earnings Per Share<br>(before EI/EO)             | ₹/Share                          | 60.5         | 97.6         | 111.3        | 128.3        | 128.9        |
| Book Value Per Share                                   | ₹/Share                          | 1217         | 1179         | 1103         | 992          | 887          |
| No. of Equity Shareholders                             | No.                              | 134350       | 137732       | 145595       | 155904       | 164548       |
| No. of Employees                                       | No.                              | 7381         | 7446         | 7301         | 6618         | 6568         |

Note <sup>1</sup> - 1 USD = INR 61.14

Note <sup>2</sup> - 1 USD = INR 62.50

Note <sup>3</sup> - Short-Term Borrowing and Current Maturities of Long-Term Debts have been included in Total Loan Funds. Current maturities of Long Term Debts have been excluded from Current Liabilities.

## TO THE MEMBERS OF GRASIM INDUSTRIES LIMITED

Your Directors take pleasure in presenting the 68th Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March 2015.

## FINANCIAL HIGHLIGHTS

(₹ Crore)

|  | Consolidated     |                  | Standalone      |                 |
|--|------------------|------------------|-----------------|-----------------|
|  | 2014-15          | 2013-14          | 2014-15         | 2013-14         |
| <b>Revenue from Operations (Net)</b>                               | <b>32,847.34</b> | <b>29,323.34</b> | <b>6,332.58</b> | <b>5,603.50</b> |
| Profit before Interest, Depreciation/ Amortization and Tax (PBIDT) | 5,683.42         | 5,491.02         | 1,013.04        | 1,246.12        |
| Less: Finance Costs  | 667.39           | 447.32           | 39.33           | 41.52           |
| Less: Depreciation and Amortisation                                | 1,563.22         | 1,457.48         | 262.55          | 219.61          |
| <b>Profit Before Exceptional Item and Tax</b>                      | <b>3,452.81</b>  | <b>3,586.22</b>  | <b>711.16</b>   | <b>984.99</b>   |
| Exceptional Item   | (9.46)           | -                | (26.24)         | -               |
| <b>Profit Before Tax (PBT)</b>                                     | <b>3,443.35</b>  | <b>3,586.22</b>  | <b>684.92</b>   | <b>984.99</b>   |
| Tax Expense  | 1,015.92         | 734.79           | 155.02          | 89.00           |
| <b>Profit After Tax (PAT)</b>                                      | <b>2,427.43</b>  | <b>2,851.43</b>  | <b>529.90</b>   | <b>895.99</b>   |
| <b>Add:</b> Share in Profit/(Loss) of Associates                   | 154.23           | 102.87           | -               | -               |
| <b>Less:</b> Minority Interest                                     | 837.86           | 882.76           | -               | -               |
| <b>Profit for the Year</b>   | <b>1,743.80</b>  | <b>2,071.54</b>  | <b>529.90</b>   | <b>895.99</b>   |
| Balance brought forward from Previous Year                         | 166.46           | 788.09           | 1,545.04        | 1,549.40        |
| Dilution of stake in Joint Venture/Associate                       | (6.26)           | -                | -               | -               |
| Depreciation charged to Surplus*                                   | (58.71)          | -                | (9.25)          | -               |
| <b>Surplus Available for Appropriation</b>                         | <b>1,845.29</b>  | <b>2,859.63</b>  | <b>2,065.69</b> | <b>2,445.39</b> |
| <b>Appropriations:</b>   |                  |                  |                 |                 |
| Reserve Fund   | 0.37             | 0.57             | -               | -               |
| General Reserve  | 954.52           | 2,503.68         | 200.00          | 700.00          |
| Debenture Redemption Reserve                                       | 130.29           | (56.50)          | -               | -               |
| Proposed Dividend  | 165.50           | 192.87           | 165.37          | 192.87          |
| Corporate Dividend Tax   | 33.61            | 49.43            | 3.37            | 7.48            |
| Legal Reserve  | 0.15             | -                | -               | -               |
| Share of Appropriation related to Associates                       | 8.10             | 3.12             | -               | -               |
| Balance carried to Balance Sheet                                   | 552.75           | 166.46           | 1,696.95        | 1,545.04        |
|  | <b>1,845.29</b>  | <b>2,859.63</b>  | <b>2,065.69</b> | <b>2,445.39</b> |

\* Carrying value of the assets whose useful life is already exhausted as on 1st April 2014, has been recognised in Surplus as per statement of Profit & Loss (Net of Deferred Tax) as per Schedule II to the Companies Act, 2013.

## DIVIDEND

For the year under review, your Directors have recommended a dividend of ₹ 18/- per equity share of ₹ 10/- each. The dividend, if approved by the members, would involve a cash outflow of ₹ 168.7 Crore (inclusive of Corporate Dividend Tax).

## STRATEGIC INITIATIVES

Your Company's strategic intent continues to be strengthening of its leadership position in

both the Viscose Staple Fibre (VSF) and Cement businesses.

In this regard, significant progress has been made on its expansion/acquisition plans.

As 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, we are providing only a brief overview of these matters in this Report.

### Growth Plans implemented / initiated during the year ended 31st March 2015

During the year under review, your Company has commissioned the Greenfield VSF Project (120K TPA) at Vilayat in Gujarat, thereby enhancing its total capacity to 498K TPA. Of the four lines, two lines (43K TPA) are geared to produce specialty fibre. This will enable ramping up of VSF volumes and will also augment your Company's presence into the specialty fibre market.

The Board of Directors of your Company has approved the amalgamation of Aditya Birla Chemicals (India) Limited (ABCIL) with your Company w.e.f. 1st April 2015, subject to requisite shareholders, court and regulatory approvals. ABCIL is one of the leading Chlor-Alkali companies in India with an installed capacity of ~293K TPA of caustic soda. Upon the effectiveness of the Scheme of Amalgamation, your Company's total caustic soda capacity will stand enhanced at 804K TPA. The merger will allow your Company to strengthen its existing portfolio of VSF, Chlor-Alkali & allied chemicals and textiles by bringing in Chlor-Alkali and value added product business of ABCIL.

In Cement Business, your Company's subsidiary, UltraTech Cement Limited (UltraTech) completed the acquisition of the Gujarat units (4.8 Mn. TPA) of Jaypee Cement Corporation Limited (JCCL) in June 2014, at an enterprise value of ₹ 3,800 Crore, besides the actual net working capital at closing.

During the year under review, UltraTech commissioned cement capacity of 1.4 Mn. TPA, clinker capacity of 2.0 Mn. TPA and Captive Power Plants / Waste Heat Recovery System aggregating 72.5 MW.

Further, UltraTech has entered into an agreement with Jaiprakash Associates Limited (JAL) for acquiring JAL's Cement business at Bela and Sidhi in Madhya Pradesh, consisting of Cement capacity of 4.9 Mn. TPA and Thermal Power Plant of 180 MW. On completion of the ongoing expansion projects and acquisition of JAL's business as stated above, the total capacity of UltraTech will stand expanded from 63.2 Mn. MT to 74.8 Mn. MT per annum.

### PERFORMANCE REVIEW

In VSF, the global weakening of competing fibres (Polyester and Cotton) and the current overcapacity scenario, especially in China, exerted pressure on realizations. The impact was partially offset by lower pulp cost.

In Cement, the prices in the industry were under pressure due to sluggish demand. Input material and logistic costs continued to rise during the year. UltraTech reported net revenue for the year at ₹ 24,349 Crore, which was up by 12%, over the previous year. UltraTech's PBIDT was up by 10% at ₹ 4,776 Crore, while the increase in finance cost and tax expenses resulted in lower PAT of ₹ 2,098 Crore.

Your Company's Consolidated revenue rose by 12% from ₹ 29,323 Crore to ₹ 32,847 Crore. Volumes grew in all the businesses led by expansions and acquisitions. PBIDT grew by 4% at ₹ 5,683 Crore with improved performance from Cement and Chemical businesses. Net profit for the year was ₹ 1,744 Crore as against ₹ 2,072 Crore in the last year as a result of higher interest, depreciation and tax expense.

Your Company's Standalone revenue stood at ₹ 6,333 Crore vis-à-vis ₹ 5,604 Crore in the previous year. Depreciation increased due to commissioning of VSF plant at Vilayat. Tax expense which was lower at ₹ 89 Crore in the last year due to tax holiday for newly commissioned power plant, increased to ₹ 155 Crore during the year. Net profit was at ₹ 530 Crore as against ₹ 896 Crore.

### SALE OF CONSUMER PRODUCT DIVISION

During the current financial year 2015-16, your Company has sold its Consumer Products Division (the Division) to Future Consumer Enterprise Limited on a slump sale basis for a total consideration of ₹ 10.03 Crore, w.e.f. 16th July 2015. The Division was engaged in the manufacture of Face Care Wipes, Baby Wipes and other products in the Baby/ House care segments and for the financial year 2014-15 its net sale was at ₹ 9.52 Crore.

### FINANCE

During the year under review, your Company raised Long Term Rupee Loan of ₹ 36 Crore for financing modernization of its VSF plant at Nagda in Madhya Pradesh. Term loans aggregating ₹ 152 Crore were repaid during the year.

Your Company has adequate liquidity and a strong Balance Sheet. CRISIL Limited (CRISIL) and Credit Analysis & Research Limited (CARE) have re-affirmed the ratings of "CRISIL AAA/Stable" and "CARE AAA" respectively, for your Company's long term borrowings and "CRISIL A1+" and "CARE A1+" respectively, for your Company's short term borrowings.

## DEPOSITS

During the year under review, the Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 (the Act) read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing details of deposits which are not in compliance with Chapter V of the Act is not applicable.

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, Aditya Birla Power Ventures Limited, a wholly owned subsidiary of the Company, ceased to be a subsidiary of the Company. No company has become/ ceased to be a joint venture or associate of the Company during the financial year 2014-15.

In accordance with Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the subsidiaries, associate and joint venture companies in Form AOC-1 is given in **Annexure 'A'** to this Report. The audited accounts / financial statements in respect of each of the Subsidiary Companies are available on the Company's website, [www.grasim.com](http://www.grasim.com). Any Member, who is interested in obtaining a copy of the Audited Financial Statements of your Company's subsidiaries, may write to the Company Secretary at the Registered Office of your Company.

The Company has framed a Policy for determining material subsidiaries, which has been uploaded on the Company's website [www.grasim.com](http://www.grasim.com).

## CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Act, read with the Companies (Accounts) Rules, 2014 and Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the Audited Consolidated Financial Statement is provided in the Annual Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Act, in relation to the Audited Financial Statements of the Company for the year ended 31st March 2015, 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 explanation relating to material departures, if any;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. the Directors have taken proper and sufficient care 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. the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

Management's Discussion & Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

## CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges relating to Corporate Governance.

The compliance report is provided in the Corporate Governance section of the Annual Report. The Auditors' Certificate on compliance with the provisions of Clause 49 of the Listing Agreement is given in **Annexure 'B'** to this Report.

## BUSINESS RESPONSIBILITY REPORT

As per Clause 55 of the Listing Agreement with the Stock Exchanges, a separate section of Business Responsibility Report describing the initiatives taken

by the Company from environmental, social and governance perspective forms part of the Annual Report.

### CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee which is chaired by Mrs. Rajashree Birla. The other Members of the Committee are Mr. B. V. Bhargava, Mr. Shailendra K. Jain and Mr. K. K. Maheshwari. Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR is a permanent invitee to the Committee. The Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board and the same is available on your Company's website, [www.grasim.com](http://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 & Welfare, Infrastructure Developments, Sustainable Livelihood, Health Care and Education during the year and initiated various activities in neighboring villages around its plant locations. The work on several initiatives has picked up momentum during the year, resulting in a spend of ₹ 16.71 Crore (1.69% 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 on which was started last year and will be intensified in the current year.

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Members approved the appointment of Mr. Cyril Shroff (DIN: 00018979), Mr. B. V. Bhargava (DIN: 00001823), Dr. Thomas M. Connelly Jr. (DIN: 03083495), Mr. M. L. Apte (DIN: 00003656) and Mr. R. C. Bhargava (DIN: 00007620) as Independent Directors of the Company, for a period of five consecutive years with effect from 6th September, 2014, whose offices are not liable to retire by rotation. The 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 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. D. D. Rathi resigned as a Director of the Company with effect from 25th September 2014 due to preoccupation. Your Board has placed on record its deep appreciation of the valuable services rendered by Mr. Rathi during his association with the Company.

Mr. O. P. Rungta (DIN: 00020559) was appointed as an Additional Director and an Independent Director of the Company for a period of five consecutive years w.e.f. 25th September, 2014, subject to the approval of the Members. As per Section 161 of the Act, Mr. Rungta being an Additional Director, holds office upto the date of the ensuing Annual General Meeting (AGM) and is eligible to be appointed a Director of the Company. The Company has received a notice in writing from Mr. Rungta along with the deposit of requisite amount under Section 160 of the Act signifying his candidature for the office of the Director of the Company. The resolution seeking Mr. O. P. Rungta's appointment has been included in the Notice of the AGM together with his brief details. Your Directors commend the Resolutions for your approval.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Kumar Mangalam Birla (DIN: 00012813) and Mr. N. Mohan Raj (DIN: 00181969), Directors of the Company, will retire by rotation at the Company's ensuing AGM and being eligible, have offered themselves for re-appointment. Resolutions seeking their appointment together with their brief profile have been included in the Notice of the AGM. Your Directors commend the Resolutions for your approval.

The Board has accepted the request of Mr. Adesh Kumar Gupta for an early retirement with effect from the close of business hours on 30th June 2015, from the office of the Whole-time Director & Chief Financial Officer, to pursue some of his areas of personal interest beyond business. Mr. Gupta ceased to be a Whole Time Director & Chief Financial Officer and Director on the Board of the Company with effect from 30th June 2015. Mr. Gupta had been with the Group for 36 years and has made an exceptional contribution to various businesses in a variety of roles and capacities. The Board places on record its deep appreciation of



Mr. Gupta's contribution to the Group, spanning over three decades.

Subject to the approval of the shareholders, the Board has on the recommendation of the Nomination and Remuneration Committee appointed Mr. Sushil Agarwal (DIN: 00060017) as an Additional Director and Whole Time Director & Chief Financial Officer (CFO) of the Company for a period of five years, w.e.f. 1st July 2015. As an Additional Director, Mr. Sushil Agarwal holds office upto the date of the ensuing AGM and is eligible to be appointed a Director of the Company. The Company has received a notice from Mr. Sushil Agarwal along with the requisite deposit signifying his candidature for appointment as the Director at the ensuing AGM. The resolution seeking Mr. Sushil Agarwal's appointment has been included in the Notice of the AGM together with his brief details. Your Directors commend the Resolution for your approval.

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

Mr. Adesh Kumar Gupta, who was the Whole-time Director & CFO of your Company up to 30th June 2015, was paid sitting fees of ₹ 2.30 Lakh by UltraTech for attending its Board meetings and commission of ₹ 1.00 Lakh will be paid by UltraTech, subject to the approval of its shareholders. Barring this, none of the managerial personnel of the Company is in receipt of remuneration / commission from the subsidiary companies of the Company.

Mrs. Hutokshi Wadia was appointed as a Key Managerial Personnel designated as Sr. Vice President and Company Secretary of the Company in place of Mr. Ashok Malu, with effect from 1st March 2015.

In terms of the provisions of Section 203 of the Act, Mr. K. K. Maheshwari, Managing Director, Mr. Sushil Agarwal, Whole-time Director & CFO and Mrs. Hutokshi Wadia, Sr. Vice President & Company Secretary are the Key Managerial Personnel of your Company.

## FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, a Framework of the Board Performance Evaluation has been formulated. In terms of this Framework, the Nomination and Remuneration Committee and the Board has

carried out an annual performance evaluation of its own performance, the performance of the various Committees of the Board, individual Directors and the Chairman. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report

The details of programme for familiarization of the Independent Directors of your Company are available on your Company's website, [www.grasim.com](http://www.grasim.com).

## REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, formulated the Remuneration policy of your Company which is given in **Annexure 'D'** to this report.

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

The Board has constituted an Audit Committee comprising of Mr. B. V. Bhargava, Mr. R. C. Bhargava and Mr. M. L. Apte as its members. The Managing Director and Whole Time Director & CFO are the permanent invitees to the meetings 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 Board has constituted a Nomination and Remuneration Committee comprising 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 Board has constituted a Corporate Social Responsibility Committee comprising of Mrs. Rajashree Birla, Mr. B. V. Bhargava, Mr. Shailendra K. Jain and Mr. K. K. Maheshwari 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 Board has constituted a Stakeholders' Relationship Committee comprising of Mr. B. V. Bhargava, Mr. M. L. Apte, Mr. Cyril Shroff and Mr. Sushil Agarwal (w.e.f. 7th August 2015) as its members. Further details of the Stakeholders' Relationship Committee are provided in the Corporate Governance Report forming part of this Annual Report.

## RISK MANAGEMENT

The Board has constituted a Risk Management Committee to review the risk management plan/process of your Company which was hitherto being carried out by the Audit Committee. The Risk Management Committee identifies potential risks, assesses their potential impact and takes timely action to mitigate the same. The Company has a comprehensive risk management policy / framework which is reviewed by the Audit Committee / Risk Management Committee. More details on risk management are covered in the Management Discussion and Analysis forming part of this Annual Report.

## RELATED PARTY TRANSACTIONS

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. The Company has not entered into contracts / arrangements / transactions with Related Parties which could be considered material in accordance with Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the Policy of the Company on Related Party Transactions. All Related Party transactions have been approved by the Audit Committee of your Company.

The Policy on Related Party Transactions as approved by the Board is available on your Company's website, [www.grasim.com](http://www.grasim.com).

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 Companies (Accounts of Companies) Rules, 2014, is not applicable. The details of contracts and arrangement with Related Parties of your Company for the financial year ended 31st March, 2015 are given

in Note 4.5 to the Financial Statements of your Company.

## INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls designed and implemented by the Company are commensurate with the size of its 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.

## AUDITORS AND AUDIT REPORTS

### STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, Deloitte Haskins & Sells LLP, Mumbai and M/s G. P. Kapadia & Co., Mumbai, the Joint Statutory Auditors of the Company, hold office upto the conclusion of the ensuing AGM and are eligible for re-appointment. The 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 re-appointment, if made, would be in accordance with the prescribed conditions and that they are eligible to hold the office of the Auditors of the 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 2015 read with the explanatory notes therein, are self-explanatory and therefore, do not call for any further explanation 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.

### BRANCH AUDITORS

M/s Vidyarthi & Sons, Branch Auditors for Vikram Woollens Division, hold office upto the conclusion of the ensuing AGM. M/s Vidyarthi & Sons have expressed their inability to continue as Branch Auditors and accordingly, their appointment is not being considered. The Statutory Auditors of the Company will carry out the audit of the said Division.

### 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 has appointed

M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, as the Cost Auditors to conduct the cost audit of the Company for the financial year 2015-16 at a remuneration as mentioned in the Notice convening the AGM. Post the merger of ABCIL with your Company, M/s R. Nanabhoy & Co. will also conduct Cost Audit of the Units of ABCIL.

### SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, of the Act, the Company had appointed M/s BNP & Associates, Company Secretaries, Mumbai to conduct secretarial audit for the financial year 2014-15. The Secretarial Audit Report issued by M/s. BNP & Associates, Company Secretaries for the financial year 2014-15 forms part of this Report and is set out in **Annexure 'E'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### RESEARCH AND DEVELOPMENT

While continuing to build our technology capabilities during FY 2014-15, we turned most of our efforts to executing a portfolio of technology projects aimed at addressing competitive market challenges in the areas of product quality, cost reduction and new product offerings.

### PULP & FIBRE PLANTS

#### Program Portfolio

Your Company recently commissioned state-of-the-art clonal sapling production facility, which is currently operating at full capacity and will go a long way in supporting your Company's plan to ensure pulpwood availability for long term sustainability and meeting the ever growing demand for high quality saplings from the farming community. It also aids in making farm forestry an attractive and sustainable land use option to improve the productivity & profitability of pulpwood plantations.

Pulp and Fibre plants are implementing Statistical Process Control (SPC) and Six Sigma based continuous improvement techniques to improve product quality. The concept of Uptime has been adopted across several fibre sites. It measures the ability of a process to provide name plate capacity at intended design conditions, and identifies chronic mechanical conditions, leading to process disturbances, for root cause analysis and resolution by maintenance teams. This approach of combining

SPC and Uptime has significantly improved quality and consistency of our product.

Cost reduction efforts focus on reducing raw material and energy consumption in the existing processes. Our emphasis is on the development and commercialization of these advances through technology networks across the fibre and pulp sites. Reducing consumption ratios for raw materials is a key focus area including ways to utilize waste heat and reduce steam consumption. New finishes have been developed to address foaming and fibre wetting issues enabling growth in non-woven markets.

The Excel® lyocell project, developing alternative fibre process concepts with superior environmental performance, continues with in-house technology developments and engagement of external knowledge network partners. The Technology organization is increasing its process, product and applications development portfolios to expand its impact on the quality, cost, differentiated products and new business development strategies aimed at improved business performance and growth.

#### Enabling Capabilities

At your Company's joint venture, Domsjo's pulp R&D team is improving process and pulp performance. Alternative additive technologies leading to improved viscose uniformity and lower costs are under development. The Pulp and Fibre Innovation Centre (PFIC) at Taloja and the Birla Research Institute (BRI) are utilizing bench-scale capabilities to explore new, high-value product concepts and improved processes. It has collaborative support from Aditya Birla Science & Technology Company Pvt. Ltd. (ABSTCPL): corporate R&D with advanced facilities and skills in areas such as analytical science, materials, process and design engineering, modelling and control technologies. The Textile Research and Application Development Centre (TRADC) at Kharach is engaged in developments in downstream processing of the fibres into yarns and fabrics. Working closely with the business development team, it has enhanced the innovative component of its proactive fabric collections offered to customers.

The technology talent pool has been increasing with the addition of skilled R&D professionals with diverse backgrounds, capabilities and experience. We now have a core team of R&D professionals actively engaged in important technology programs and initiatives. External knowledge networks are

continuing to be developed to complement internal capabilities, and are actively contributing to advanced technologies in the areas of cellulose pulp and novel new fibres.

In summary, significant milestones have been achieved in the areas of program portfolio development and execution, infrastructure project execution, staff development, and the creation of the overall R&D function operating systems.

### CHEMICAL BUSINESS

Your Company's Chemical business has set up a pilot scale plant based on Oxygen Depolarization Cathode (ODC) technology with different generation's anode and cathode elements. This gives us an idea about how each generation will have current and voltage requirement. In this pilot plant, hydrogen generation is there by consuming only 70% of the power consumption as compared to the conventional Membrane cell technology. However, pure liquid oxygen is used for reduction of power consumption. This technology has been established and in second phase, experiments are being carried to use PSA generated oxygen gas in place of liquid oxygen to optimize the higher cost of liquid oxygen.

The business has also finalized to set up a pilot lab scale electrolyzer in collaboration with ThyssenKrupp Udhe Chlorine Engineers GmbH, Germany who are the pioneers in the Chlor- Alkali technology development and technology suppliers of latest state of the art Electrolyzer at ABSTCPL. This facility will provide it with an opportunity to run the electrolyzer at various current densities with varying electrolyte parameters which will help in understanding and applications of processes and scaling the experience & knowledge for optimizing the performance of plants where similar electrolyzers are in use for bulk manufacturing.

All the chlor-alkali plants of the Company require high quality brine which is very critical for Optimum performance of Membrane cell plant. To support this, it is proposed to install a Pilot brine plant at Nagda to study the suitability of slat from various sources and also various conditions / parameters that affect the brine quality. The learning and experiences can be scaled up and incorporated in the plant sites for continual improvements.

Demonstrating its commitment for uses of solid wastes, you Company regularly engages with premier institutes such CSMCRI, Bhavnagar, Gujarat; MINT, Bhopal, Madhya Pradesh and ICT, Mumbai.

The Centre of Excellence for Application and Product Development in the field of water and waste water treatment is under establishment at Vilayat. The Centre envisages to have expertise in mainly three key areas of water i.e. drinking water, municipal water and industrial waste water treatment. The activities include identification, development and characterization of new chemicals and support for resolution of issues at customer end by identification/development of suitable product/application for the issue. The Centre will also be engaged in analyzing various additives to enhance the functionalities of existing chemicals and improvement in the existing water treatment chemicals.

### DISCLOSURES

#### 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. Adequate safeguards are provided against victimization 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](http://www.grasim.com).

#### MEETINGS OF THE BOARD

During the year ended 31st March, 2015, five Board Meetings were held, on 2nd May, 2014, 2nd August, 2014, 29th October, 2014, 31st January, 2015 and 11th February, 2015. Further details on the Board Meetings are provided in the Corporate Governance Report forming part of the Annual Report.

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans given, investments made, guarantees given and securities provided and investments covered under the provisions of Section 186 of the Act are covered in the Notes to the Financial Statements.

#### 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 'F'** to this Report.



## 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 2015 is given in **Annexure 'G'** to this Report.

## 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 Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are to be set out in the Board's Report, as an addendum thereto. However, 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 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 to 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)

The 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](http://www.grasim.com).

A certificate from the Statutory Auditor on the implementation of your Company's Employees Stock Option Schemes will be placed at the ensuing AGM for inspection by the Members.

## HUMAN RESOURCES

Your Company believes that Human Resources will play a significant role in its future growth. With an unswerving focus on nurturing and retaining talent, your Company provides avenues for learning and development through functional, behavioral and leadership training programs, knowledge exchange conferences, communication channels for information sharing to name a few.

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:

- "SAMMAAN PATRA" for remarkable contribution in the category of Customs-Imports in financial year 2014-15 from the Government of India, Ministry of Finance, Department of Revenue, Central, Excise and Service Tax, Gwalior to Staple Fibre Division, Nagda;
- Grasilene Division was awarded the 1st Prize for "Best Fuel Efficient Boiler" category for adopting the Best Safe Practices in the year 2014, by the Karnataka State Safety Institute, Department of Factories, Boilers, Industrial Safety & Health Bengaluru, Government of Karnataka;
- Runner-up - Best Project of the Year (Medium) category awarded at PMI (Project Management Institute) India Awards 2014 to the Green Field Epoxy Project, Vilayat.



- Staple Fibre Division, Nagda, was awarded the "Amity CSR Conclave 14" Award, conducted under the aegis of the Amity Global Business School, Indore.

### 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 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.

### ACKNOWLEDGEMENT

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, 7th August 2015

**Form AOC -1**  
**Statement containing salient features: Pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013 read with Rule 5 of 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 | Net Turnover | Profit / (Loss) Before Taxation | Provision for Taxation | Profit/ (Loss) After Taxation | Proposed Dividend (Including Corporate Dividend Tax) | % of shareholding |
|---------|--|---------|----------|---|--|---|--|---|--------------|---------------------------------|------------------------|-------------------------------|--|-------------------|
| 1       | Semudhi Swastik Trading And Investments Limited                | 2014-15 | ₹        | 6.50  | 30.60  | 6.78  | 0.93   | 31.25   | -            | 2.77                            | 0.98                   | 1.79                          | -  | 100%              |
| 2       | Sun God Trading And Investments Limited                        | 2013-14 | ₹        | 6.50  | 28.80  | 4.72  | 0.88   | 31.94   | -            | 4.08                            | 1.17                   | 2.91                          | -  | 100%              |
| 3       | Grasim Shwani Textiles Limited (GBTL)                          | 2013-14 | ₹        | 0.05  | 0.40   | 0.09  | ₹1,236.00  | 0.36  | -            | 0.04                            | 0.01                   | 0.03                          | -  | 100%              |
| 4       | Ultratech Cement Limited (UTC) - (Sandalong)                   | 2013-14 | ₹        | 20.05   | 88.17  | 306.72  | 198.50   | 0.42  | 444.57       | 16.97                           | 3.06                   | 13.91                         | -  | 100%              |
| 5       | Deishin Cements Limited  | 2013-14 | ₹        | 20.05   | 77.90  | 288.91  | 168.96   | -   | 439.85       | 23.08                           | 4.93                   | 18.15                         | -  | 100%              |
| 6       | Hansh Cement Limited   | 2013-14 | ₹        | 20.05   | 18,583.28  | 30,006.20   | 16,357.27  | 4,507.44  | 22,656.48    | 2,886.25                        | 871.52                 | 2,014.73                      | 287.24   | 60.25%            |
| 7       | Goran Limestone Khanij Udyog Pvt. Ltd.                         | 2013-14 | ₹        | 214.24  | 16,873.27  | 24,362.24   | 12,866.50  | 4,871.14  | 20,077.88    | 2,775.51                        | 831.04                 | 2,144.47                      | 288.77   | 60.25%            |
| 8       | Bhagwati Lime Stone Company Pvt. Ltd.                          | 2013-14 | ₹        | 0.05  | (0.05)   | ₹49,989   | ₹50,194  | -   | ₹11,236      | -                               | -                      | ₹11,236                       | -  | 60.25%            |
| 9       | Ultratech Cement Lanka Pvt. Ltd.                               | 2013-14 | ₹        | 0.25  | 152.68   | 155.30  | 2.37   | ₹38,958   | -            | ₹11,236                         | -                      | ₹11,236                       | -  | 60.25%            |
| 10      | Ultratech Cement Middle East Investment Ltd. (Sandalong)       | 2013-14 | ₹        | 0.05  | 19.46  | 22.70   | 0.92   | 154.31  | -            | -                               | -                      | -                             | -  | 60.25%            |
| 11      | Star Cement Co LLC, Dubai                                      | 2013-14 | ₹        | 2.32  | 19.46  | 22.70   | 0.92   | 154.31  | 7.95         | 12.45                           | 0.02                   | 12.47                         | -  | 60.25%            |
| 12      | Arabian Cement Industry LLC, Abu Dhabi                         | 2013-14 | ₹        | 2.00  | 4.80   | 21.20   | 23.80  | 8.73  | 8.73         | (2.20)                          | 0.05                   | 12.76                         | -  | 60.25%            |
| 13      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 0.01  | 1.91   | 1.94  | 0.02   | -   | -            | (0.02)                          | -                      | (0.02)                        | -  | 60.25%            |
| 14      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 0.01  | (0.15)   | 1.89  | 2.03   | -   | -            | (0.02)                          | -                      | (0.02)                        | -  | 60.25%            |
| 15      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 50.00   | 123.41   | 223.54  | 50.13  | -   | 1,031.48     | 86.69                           | 24.58                  | 62.10                         | 40.00  | 48.20%            |
| 16      | Emirates Cement Bangladesh Ltd, Bangladesh                     | 2013-14 | ₹        | 23.40   | 57.73  | 104.59  | 23.46  | -   | 481.19       | 40.29                           | 11.42                  | 28.87                         | 32.66  | 48.20%            |
| 17      | Emirates Power Company Ltd, Bangladesh                         | 2013-14 | ₹        | 50.00   | 131.58   | 261.38  | 69.81  | -   | 984.18       | 99.13                           | 21.96                  | 71.17                         | 40.00  | 48.20%            |
| 18      | Awam Minerals LLC, Sultanate of Oman (w.e.f. 23rd April, 2014) | 2013-14 | ₹        | 22.91   | 60.29  | 115.19  | 31.99  | -   | 448.45       | 46.45                           | 12.74                  | 33.73                         | 18.60  | 60.25%            |
| 19      | PT UltraTech Mining Indonesia                                  | 2013-14 | ₹        | 23.52   | (1.97)   | 0.19  | 55.76  | 77.11   | -            | 0.97                            | -                      | 0.97                          | -  | 60.25%            |
| 20      | PT UltraTech Investment Indonesia                              | 2013-14 | ₹        | 392.29  | 133.40   | 3.26  | 946.61   | 1,309.24  | -            | 16.22                           | -                      | 16.22                         | -  | 60.25%            |
| 21      | PT UltraTech Cement Indonesia                                  | 2013-14 | ₹        | 383.67  | 147.98   | 1.31  | 898.68   | 73.63   | -            | (0.84)                          | -                      | (0.84)                        | -  | 60.25%            |
| 22      | Star Cement Co LLC, Dubai                                      | 2013-14 | ₹        | 5.09  | 14.86  | 64.18   | 73.95  | -   | 40.06        | (2.15)                          | -                      | (2.15)                        | -  | 60.25%            |
| 23      | Arabian Cement Industry LLC, Abu Dhabi                         | 2013-14 | ₹        | 86.39   | 252.26   | 1,089.58  | 1,255.45   | -   | 666.66       | (35.81)                         | -                      | (35.81)                       | -  | 60.25%            |
| 24      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 5.09  | 12.70  | 62.08   | 62.08  | -   | 44.81        | (3.45)                          | -                      | (3.45)                        | -  | 60.25%            |
| 25      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 83.03   | 207.17   | 888.54  | 1,012.68   | -   | 738.06       | 168.87                          | -                      | 168.87                        | -  | 60.25%            |
| 26      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 1.00  | 15.35  | 19.75   | 24.10  | -   | 20.13        | (1.04)                          | -                      | (1.04)                        | -  | 60.25%            |
| 27      | Emirates Cement Bangladesh Ltd, Bangladesh                     | 2013-14 | ₹        | 16.98   | 190.84   | 335.23  | 409.10   | -   | 334.95       | 17.32                           | -                      | 17.32                         | -  | 60.25%            |
| 28      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 1.00  | 14.31  | 17.44   | 20.75  | -   | 18.98        | (2.29)                          | -                      | (2.29)                        | -  | 60.25%            |
| 29      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 16.31   | 70.30  | 284.48  | 338.48   | -   | 312.57       | 37.74                           | -                      | 37.74                         | -  | 60.25%            |
| 30      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 14.36   | 21.57  | 113.22  | 71.29  | -   | 41.61        | 6.91                            | -                      | 6.91                          | -  | 60.25%            |
| 31      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 243.83  | 366.18   | 1,312.22  | 1,312.22   | -   | 692.38       | 114.94                          | -                      | 114.94                        | -  | 60.25%            |
| 32      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 14.36   | 14.67  | 104.03  | 75.00  | -   | 41.85        | 6.83                            | -                      | 6.83                          | -  | 60.25%            |
| 33      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 24.28   | 239.36   | 1,225.42  | 1,225.42   | -   | 689.28       | 112.50                          | -                      | 112.50                        | -  | 60.25%            |
| 34      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 3.40  | 25.30  | 95.18   | 117.09   | -   | 65.13        | 16.99                           | -                      | 16.99                         | -  | 60.25%            |
| 35      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 0.20  | (2.51)   | 8.25  | 8.25   | -   | 3.61         | 0.84                            | -                      | 0.84                          | -  | 60.25%            |
| 36      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 3.26  | (40.96)  | 98.86   | 134.55   | -   | 59.42        | 13.76                           | -                      | 13.76                         | -  | 60.25%            |
| 37      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 0.03  | 0.80   | 1.86  | 1.03   | -   | 1.23         | 0.19                            | -                      | 0.19                          | -  | 60.25%            |
| 38      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 4.96  | 132.51   | 308.07  | 170.60   | -   | 202.97       | 31.70                           | -                      | 31.70                         | -  | 60.25%            |
| 39      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 0.03  | 0.80   | 0.90  | 0.07   | -   | 1.65         | 0.19                            | -                      | 0.19                          | -  | 60.25%            |
| 40      | Emirates Cement Bangladesh Ltd, Bangladesh                     | 2013-14 | ₹        | 4.77  | 126.73   | 142.29  | 10.79  | -   | 264.26       | 29.88                           | -                      | 29.88                         | -  | 60.25%            |
| 41      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 158.93  | (102.17)   | 218.68  | 161.92   | -   | 234.71       | (2.13)                          | 0.70                   | (2.83)                        | -  | 60.25%            |
| 42      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 127.27  | (81.82)  | 175.11  | 129.66   | -   | 188.10       | (1.70)                          | 0.56                   | (2.27)                        | -  | 60.25%            |
| 43      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 158.93  | 69.21  | 225.37  | 165.65   | -   | 232.59       | 4.62                            | 1.16                   | 3.46                          | -  | 60.25%            |
| 44      | Emirates Power Company Ltd, Bangladesh                         | 2013-14 | ₹        | 122.60  | 173.53   | 173.84  | 127.78   | -   | 183.97       | 3.65                            | 0.92                   | 2.73                          | -  | 60.25%            |
| 45      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 21.62   | (16.94)  | 24.56   | 18.71  | -   | 1.81         | -                               | -                      | -                             | -  | 60.25%            |
| 46      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 20.82   | 16.31  | 20.14   | 15.63  | -   | 1.45         | -                               | -                      | -                             | -  | 60.25%            |
| 47      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 0.04  | (0.01)   | 0.09  | 0.07   | -   | 1.93         | -                               | -                      | -                             | -  | 60.25%            |
| 48      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 6.00  | (2.33)   | 15.10   | 11.42  | -   | -            | (0.01)                          | -                      | (0.01)                        | -  | 30.73%            |
| 49      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | -   | -  | -   | -  | -   | -            | (2.22)                          | -                      | (2.22)                        | -  | -                 |
| 50      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 1,158.90  | (18.07)  | 1,140.83  | 0.03   | -   | -            | 4.70                            | -                      | 4.70                          | -  | 48.20%            |
| 51      | Emirates Cement Bangladesh Ltd, Bangladesh                     | 2013-14 | ₹        | 5.53  | (0.09)   | 5.47  | 0.03   | -   | -            | 0.02                            | -                      | 0.02                          | -  | 48.20%            |
| 52      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 1,137.30  | (22.72)  | 1,120.32  | 6.39   | -   | -            | (0.63)                          | -                      | (0.63)                        | -  | 48.20%            |
| 53      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 1,992.40  | 39.23  | 2,039.16  | 7.54   | -   | -            | (5.39)                          | -                      | (5.39)                        | -  | 60.25%            |
| 54      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 1,995.11  | 0.19   | 8.73  | 0.14   | -   | -            | (0.03)                          | -                      | (0.03)                        | -  | 60.25%            |
| 55      | Emirates Power Company Ltd, Bangladesh                         | 2013-14 | ₹        | 1,010.51  | 40.22  | 2,050.58  | 19.60  | -   | -            | 15.07                           | -                      | 15.07                         | -  | 60.25%            |
| 56      | Star Cement Co LLC, Ras Al Khaima                              | 2013-14 | ₹        | 2,032.46  | (57.01)  | 1,999.34  | 22.89  | -   | -            | 0.26                            | -                      | 0.26                          | -  | 59.65%            |
| 57      | Al Nakhl Crushers LLC, Fujairah                                | 2013-14 | ₹        | 2,032.46  | (111.81)   | 1,939.72  | 17.07  | -   | -            | (11.81)                         | -                      | (11.81)                       | -  | 59.65%            |
| 58      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | ₹        | 10.73   | (0.59)   | 10.23   | 0.09   | -   | -            | (0.62)                          | -                      | (0.62)                        | -  | 59.65%            |

## BOARD'S REPORT

## Part B : Joint Ventures/Associates

| Sr. No. | Name of Associate/Joint Venture   | AV Cell Inc.    | AV Naxxawic Inc. | Birla Jingwei Fibres Co. Limited | Birla Lao Pulp & Plantations Company Limited | Bhubaneswari Coal Mining Limited | Aditya Birla Elyaf Sarayi Ve Ticaret Anonim Sirketi | Aditya Group AB | AV Terrace Bay Inc. | Braskarpara Coal Company Limited | Madanpur (North) Coal Company Private Limited | Aditya Birla Science & Technology Co. Private Ltd # | Idea Cellular Ltd. # |
|---------|---|-----------------|------------------|----------------------------------|--|----------------------------------|---|-----------------|---------------------|----------------------------------|---|---|----------------------|
| 1       | Latest audited Balance Sheet Date   | 31st March 2015 | 31st March 2015  | 31st March 2015                  | 31st December 2014                           | 31st March 2015                  | 31st March 2015                                     | 31st March 2015 | 31st March 2015     | 31st March 2015                  | 31st March 2015                               | 31st March 2015                                     | 31st March 2015      |
| 2       | Share of Joint Venture held by the company on year end                    |                 |                  |                                  |  |                                  |   |                 |                     |                                  |   |   |                      |
|         | i) Number of Shares   | 81,000          | 123,750          | N/A                              | 18,840                                       | 33,540,000                       | 1,999,998   | 50              | 28,000,000          | 4,904,910                        | 682,375                                       | 7,799,500   | 171,013,894          |
|         | Equity Shares   | -               | 6,750,000        | N/A                              | -  | -                                | -   | 160,000         | -                   | -                                | -   | -   | -                    |
|         | ii) Amount of Investment in Joint Venture/Associates                      | 50.66           | 129.03           | 117.40                           | 91.24*                                       | 33.54                            | 56.67   | 324.14          | 156.36              | 4.90                             | 0.69  | 7.80  | 171.01               |
|         | iii) Extent of Holding (%)  | 45%             | 45%              | 26.63%                           | 40%  | 26%                              | 33.33%  | 33.33%          | 40%                 | 28.54%                           | 6.73%   | 39%   | 4.75%                |
| 3       | Networth attributable to shareholding as per latest audited Balance Sheet | 190.90          | 142.33           | 29.04                            | 102.65                                       | 41.61                            | 51.50   | 363.31          | (8.03)              | 5.46                             | 0.72  | 9.70  | 1104.69              |
| 4       | Profit/(Loss) for the year  | (12.81)         | (67.91)          | (81.99)                          | (3.47)                                       | 52.25                            | 1.75  | (70.97)         | (66.22)             | (₹26,672)                        | -   | 1.39  | 3,192.91             |
|         | i) Considered in Consolidation \$   | (5.77)          | (20.60)          | (23.57)                          | (1.39)                                       | 13.60                            | 0.58  | (15.75)         | (26.49)             | (₹7,617)                         | -   | 0.02  | 154.21               |
|         | ii) Not considered in Consolidation                                       | (7.04)          | (47.31)          | (58.41)                          | (2.08)                                       | 38.65                            | 1.17  | (55.22)         | (39.73)             | (₹19,054)                        | -   | 1.37  | 3,038.70             |

# Represents Associates

\* Excluding Provision for Diminution in Long-Term Investment of ₹ 26.24 Cr

\$ Joint Ventures of UltraTech. Numbers are proportionate to the extent of Company's interest through UltraTech

\$\$ After elimination of unrealised profit (Net) on intagroup transactions

Note : - For Holding Subsidiary Relationship refer Note 4.2 to Consolidated Financial Statements

- UltraTech Cement SA (PTY), PT UltraTech Mining Sumatera and UltraTech Cement Mozambique Limitada (Subsidiary's Subsidiaries) are yet to start operations and no equity infusion.

- For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent Indian Rupee (INR), following Exchange rates are used for 1 INR.

| Sr. No. | Currency                  | Balance Sheet (Closing Rate) |                  | Statement of Profit and Loss (Average Rate) |            |
|---------|---------------------------|------------------------------|------------------|---|------------|
|         |                           | 31st March, 2015             | 31st March, 2014 | FY 2014-15                                  | FY 2013-14 |
| 1       | SriLankan Rupee (SLR)     | 2.1372                       | 2.1823           | 2.1400                                      | 2.1500     |
| 2       | UAE Dirham (AED)          | 0.0589                       | 0.0613           | 0.0601                                      | 0.0607     |
| 3       | Bangladeshi Takka (Takka) | 1.2488                       | 1.2964           | 1.2478                                      | 1.2642     |
| 4       | Bahrain Dinar (BHD)       | 0.0060                       | 0.0063           | 0.0060                                      | 0.0062     |
| 5       | Indonesian Rupiah (IDR)   | 209.5118                     | 189.5735         | 209.5118                                    | 181.4280   |
| 6       | Omani Riyal               | 0.0062                       | -                | 0.0063                                      | -          |

**AUDITOR'S 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 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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 above mentioned Listing Agreement.

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: 2nd May 2015

## ANNUAL REPORT ON CSR ACTIVITIES

- 1 A brief outline of the Company's CSR : To actively contribute to the social and economic development of the communities policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs  
in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society, 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, epitomizing a holistic approach to inclusive growth.  
The Company's CSR policy can be accessed on: [www.grasim.com](http://www.grasim.com)
- 2 Composition of the CSR Committee : Mrs. Rajashree Birla, Chairperson  
Mr. Shailendra K. Jain, Director  
Mr. B. V. Bhargava, Independent Director  
Mr. K. K. Maheshwari, Managing Director  
  
Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR, Permanent Invitee
- 3 Average net profit of the Company for last : ₹ 1,002 Crore  
three financial years
- 4 Prescribed CSR Expenditure (two percent : ₹ 20 Crore  
of the amount as in Item 3 above)
- 5 **Details of CSR spent during the financial year:**
  - (a) Total amount to be spent for the : ₹ 20 Crore  
financial year
  - (b) Amount unspent, if any : ₹ 3.29 Crore
  - (c) Manner in which the amount spent : Details given below  
during the financial year

| Sr. No | CSR Projects / Activities Identified   | Sector in which the project covered | Project / Programs Local Area / others. Specify the State / District where the Project Undertaken | Amount Outlay (Budget) Project or Programme wise (Rupees in Lakh) | Amount Spent on the Project / Programmes Subheads : (1) Direct expenditure on project / programs (2) Overheads (Rupees in Lakh) | Cumulative Spend upto reporting period (Rupees in Lakh) | Amount Spent: Direct or through implementing agency* |
|--------|--|-------------------------------------|---|---|---|---|--|
| 1.     | 1. <b>Pre school education Project:</b><br>Balwadies/play schools/ crèches; Strengthening Anganwadis Centres   | Education                           | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                   | 8.81  | 5.73  | 709.83  | All expenses incurred directly by the Company        |
|        | 2. <b>School Education Project:</b><br>Enrolment awareness programs/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); Specialized Coaching; Exposure visits/ awareness, Formal schools inside campus (Company Schools), Support to Midday Meal Project |                                     | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                   | 789.42  | 679.46  |   |  |



| Sr. No | CSR Projects / Activities Identified  | Sector in which the project covered | Project / Programs Local Area / others. Specify the State/ District where the Project Undertaken | Amount Outlay (Budget) Project or Programme wise (Rupees in Lakh) | Amount Spent on the Project/ Programmes Subheads : (1) Direct expenditure on project / programs (2) Overheads (Rupees in Lakh) | Cumulative Spend upto reporting period (Rupees in Lakh) | Amount Spent: Direct or through implementing agency* |
|--------|---|-------------------------------------|--|---|--|---|--|
|        | 3. <b>Education support programs:</b><br>Knowledge Centre/ Library; Adult/Non Formal Education; Celebration of National days; Computer education; Reducing drop out and Continuing Education (Kasturba Balika / bridge course / counseling), Career Counselling and orientation.    | Education                           | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                  | 10.89   | 3.01   |   |  |
|        | 4. <b>Vocational and Technical Education:</b><br>Strengthening ITI's; Skill Based Individual training Program   |                                     | Haveri (Karnataka)   | 2.12  | 0.07   |   |  |
|        | 5. <b>School Infrastructure:</b><br>Building & 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)                                       | 31.06   | 21.56  |   |  |
| 2      | 1. <b>Preventive Health Care:</b><br>Immunization, Pulse polio immunization, Health Check-up camps, Ambulance Mobile Dispensary Program, Malaria / Diarrhea Control programs, Health & Hygiene awareness programs, School health/ Eye/Dental camps, Yoga/ fitness classes.          | Health Care                         | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                  | 9.67  | 6.99   | 400.26  | All expenses incurred directly by the Company        |
|        | 2. <b>Curative Health Care program:</b><br>General Health camps Specialized Health Camps, Eye camps, Treatment Camps (Skin, cleft, etc.), Cleft camp, Homeopathic/ Ayurvedic Camps, Surgical camps, Tuberculosis Leprosy Company operated hospitals/dispensaries/ clinic.           |                                     | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                  | 523.96  | 354.96   |   |  |
|        | 3. <b>Reproductive and Child Health:</b><br>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 programs for mother/child. |                                     | Haveri (Karnataka), Bharuch (Gujarat), Ujjain (MP)   | 1.25  | 0.77   |   |  |

| Sr. No | CSR Projects / Activities Identified  | Sector in which the project covered | Project / Programs Local Area / others. Specify the State/ District where the Project Undertaken | Amount Outlay (Budget) Project or Programme wise (Rupees in Lakh) | Amount Spent on the Project/ Programmes Subheads : (1) Direct expenditure on project / programs (2) Overheads (Rupees in Lakh) | Cumulative Spend upto reporting period (Rupees in Lakh) | Amount Spent: Direct or through implementing agency* |
|--------|---|-------------------------------------|--|---|--|---|--|
|        | 4. <b>Quality / Support Program:</b><br>Referral services<br>Treatment of BPL, old age or needy patient, HIV- AIDS Awareness Program, RTI/ STD Awareness program, Support for differently abled, Ambulance services, Blood donation camps, Blood Grouping.  | Health Care                         | Ujjain (MP), Bhind & Morena (MP), Bharuch (Gujarat)  | 1.14  | 1.55   |   |  |
|        | 5. <b>Health Infrastructure:</b><br>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 (MP), Haveri (Karnataka), Bhind & Morena (MP)                  | 40.38   | 35.99  |   |  |
| 3      | 1. <b>Agriculture and Farm Based:</b><br>Agriculture & Horticulture training program/ Farmers group Transfer of Technology- Demonstration plots, Support for horticulture plots, Seeds Improvement Program, Support for improved agriculture equipment and inputs, Exposure visits / Support for agricultural mela, Integrated agricultural/ horticultural improvement, program / productivity improvement programs, soil health and organic farming. | Environment & Livelihood            | Ujjain (MP), Bharuch (Gujarat), Haveri (Karnataka)   | 2.80  | 2.13   | 43.94   | All expenses incurred directly by the Company        |
|        | 2. <b>Animal Husbandry Based:</b><br>Treatment and vaccination, Breed improvement Productivity, Improvement programs and training.  |                                     | Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)   | 8.00  | 7.62   |   |  |
|        | 3. <b>Non farm &amp; Skills Based Income generation Program:</b><br>Capacity Building Program-Tailoring, Beauty Parlor, Mechanical, Rural Enterprise development& Income Generation Programs, Support to SHGs for entrepreneurial activities  |                                     | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                  | 22.00   | 23.66  |   |  |

| Sr. No | CSR Projects / Activities Identified  | Sector in which the project covered | Project / Programs Local Area / others. Specify the State/ District where the Project Undertaken | Amount Outlay (Budget) Project or Programme wise (Rupees in Lakh) | Amount Spent on the Project/ Programmes Subheads : (1) Direct expenditure on project / programs (2) Overheads (Rupees in Lakh) | Cumulative Spend upto reporting period (Rupees in Lakh) | Amount Spent: Direct or through implementing agency* |
|--------|---|-------------------------------------|--|---|--|---|--|
|        | 4. <b>Natural Resource conservation programs &amp; Non conventional Energy:</b><br>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. | Environment & Livelihood            | Ujjain (MP), Bharuch (Gujarat), Haveri (Karnataka)   | 10.00   | 10.53  |   |  |
| 4      | <b>Rural Infrastructure Development other than for the purpose of Health / Education/ Livelihood:</b><br>New Roads/Culverts/ Bridges/Bus Stands, Repair Roads/Culverts/ Bridges/Bus Stands Community Halls/ Housing, Other Community Assets and shelters.   | Rural Development Projects          | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                  | 35.76   | 21.88  | 21.88   | All expenses incurred directly by the Company        |
| 5      | 1. <b>Institutional building &amp; strengthening:</b><br>Strengthening/ formation of community based organization (SHGs), Support to development organizations, Old age Home, Orphanage   | Social Empowerment                  | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                  | 1.62  | 1.62   | 21.51   | All expenses incurred directly by the Company        |
|        | 2. <b>Social Security:</b><br>Support to Old age/ Widow / physically Challenged Persons/ poor Insurance, Pension Scheme.  |                                     | Haveri (Karnataka)   | 3.00  | 3.50   |   |  |
|        | 3. <b>Awareness programs:</b><br>Community Awareness programmes, awareness Campaign, social abuse, Early marriages / HIV prevention   |                                     | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                  | 2.43  | 10.86  |   |  |
|        | 4. <b>Social Events to minimise causes of poverty:</b><br>Support to mass marriages / widow remarriages; National days celebrations with community; Support with basic amenities;   |                                     | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind & Morena (MP)                  | 12.32   | 3.50   |   |  |

| Sr. No | CSR Projects / Activities Identified   | Sector in which the project covered     | Project / Programs Local Area / others. Specify the State / District where the Project Undertaken | Amount Outlay (Budget) Project or Programme wise (Rupees in Lakh) | Amount Spent on the Project/ Programmes Subheads : (1) Direct expenditure on project / programs (2) Overheads (Rupees in Lakh) | Cumulative Spend upto reporting period (Rupees in Lakh) | Amount Spent: Direct or through implementing agency* |
|--------|--|---|---|---|--|---|--|
| 5.     | <b>Promotion of Culture / Sports:</b><br>Support to rural cultural program, Festivals & Melas support to rural sports. | Social Empowerment                      | Bharuch & Surat (Gujarat), Bhind & Morena (MP)  | 3.67  | 2.03   |   |  |
| 6      | <b>Traditional Handicrafts Promotion / Development (Handloom Textiles - Ikat, Jamdani &amp; Banarasi Artisans)</b>     | Protection of heritage, art and culture | Kutch, Hyderabad and Banaras  | 400.00  | 400.00   | 400.00  | All expenses incurred directly by the Company        |
| 7      | <b>Overheads</b>   |   |   | 42.40   | 73.69  | 73.69   | All expenses incurred directly by the Company        |
|        | <b>Total</b>   |   |   | <b>1,962.70</b>   | <b>1,671.11</b>  | <b>1,671.11</b>   |  |

#### 6. Reason for not spending the Prescribed Amount on CSR:

Grasim works in 108 villages, reaching out to a populace of 2.93 Lakh. For the financial year 2014-15, the Company has invested ₹ 16.71 Crore as against ₹ 20 Crore, which is 2% 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.

#### 7. Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

K. K. Maheshwari  
Managing Director  
(DIN: 00017572)

Rajashree Birla  
Chairperson, CSR Committee  
(DIN: 00022995)

## 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 programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities – with the long-term success of our stakeholders.

### *Our business and organizational model*

Our Group is a conglomerate and organized 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 Program*

Our executive remuneration program 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 program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis
2. Emphasize "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, Chief Financial Officer and Company Secretary.
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 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 total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognize 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 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 (iv) Perks and Benefits

#### *Annual Incentive Plan:*

We tie annual incentive plan pay-outs of our executives to 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 Incentive:*

Our Long-term incentive plans incentivize 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 vehicles, 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 payout 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 benefit 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 e.g. 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 programs do not encourage excessive risk taking. We review our remuneration programs 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.

### *Claw back 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 thereunder, 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 & 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.

## SECRETARIAL AUDIT REPORT

### For the financial year ended 31st March 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

To  
The Members,  
Grasim Industries Limited  
Birlagram, Nagda, Ujjain – 456331.  
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 covering the financial year ended on 31st March, 2015. 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 authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period generally 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 financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (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 Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange

Board of India Act, 1992 ('SEBI Act') :

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) 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 Listing Agreements entered into by the Company with the Stock Exchanges.

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

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (iii) Secretarial Standards issued by The Institute of Company Secretaries of India (since not notified by the Central Government).

#### 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, agenda and detailed notes on agenda were sent at least seven days in advance, 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 were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

**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 referred to above.

**We further report that** during the audit period, there was no specific event/action having major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines etc. referred to above.

**For BNP & Associates**

Company Secretaries

**Keyoor Bakshi**

Partner

Place: Mumbai

Date: 2nd May 2015

FCS 1844 / CP No. 2720

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH 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 and Pulp Units

- Various schemes on energy conservation such as modification in air distribution on dryer, clarified lye to heat the soft water stream utilized for preparing steep lye etc. has resulted in 8.5% reduction in steam consumption at Nagda Unit in FY 15 over last year
- Installation of LP Steam Jet Vacuum System Evaporator for improved vacuum and reduction in steam consumption
- Installation of Flash Vessel for Salt Dryer condensate & using Flash steam in Anhydrous Plant
- Use of Fibre Dryer condensate in Acid Plant in place of Demin water

##### ii) Chemical Unit

- Conversion of UHDE 2nd Generation Electrolyser to 5th Generation Electrolyser
- Optimised operation of cooling tower fan by running it in closed loop with water temperature

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

- Use of Biogas at Harihar Pulp Plant leading to reduction in consumption of furnace oil

- Use of wood waste to produce steam (Under Implementation)

#### c) The capital investment on energy conservation equipments

- Total investment made ₹ 15.8 Cr.

### B. TECHNOLOGY ABSORPTION

#### a) The efforts made towards technology absorption

- Study conducted on Biogas Enrichment Plant for reduction in consumption of Furnace Oil in Lime-kiln
- Commissioning and stabilization of Genosorb Plant as part of in-house Technology Development for environmental control (In Progress)
- Adoption of technology for production of Fire Retardant Viscose Fibre
- Conversion of UHDE 2nd Generation Electrolyser to 5th Generation Electrolyser
- Electrolysis through acidified brine for improvement in chlorine purity
- Caustic concentration unit with improved design for better heat transfer efficiency

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

- Development of new product - Fire Retardant Fibre to enrich speciality portfolio and meet customer requirement for specific applications
- Reduction in power cost due to conversion to 5th Generation Electrolyser

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 |
|----------|------------------------------------|----------------|--|--|
| VSF      | Production of Fire Retardant Fibre | 2012-13        | Yes  | NA   |
| Chemical | ODC Technology                     | 2013-14        | Yes  | NA   |
| Textile  | Worsted Spinning Technology        | 2012-13        | Yes  | NA   |

d) **The expenditure incurred on Research and Development**

| Expenditure  | ₹ Crore      |
|--------------|--------------|
| a. Capital   | 19.04        |
| b. Recurring | 29.96        |
|              | <b>49.00</b> |

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company is exporting Viscose Staple Fibre, Chemicals, Textiles and Plant and Machinery and has taken successful initiatives for increasing exports

- Foreign Exchange used : ₹ 2887.47 Crore
- Foreign Exchange earned : ₹ 1608.59 Crore



## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2015

[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.   | <b>CIN</b>   | L17124MP1947PLC000410  |
| ii.  | <b>Registration Date</b>   | 25th August 1947   |
| iii. | <b>Name of the Company</b>   | Grasim Industries Limited  |
| iv.  | <b>Category/Sub-Category of the Company</b>                                      | Public Company limited by shares   |
| v.   | <b>Address of the Registered Office and Contact Details</b>                      | Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India<br>Tel: (07366) 246760 – 246766<br>Fax: (07366) 244114/246024<br>Website : www.grasim.com / www.adityabirla.com |
| vi.  | <b>Whether listed Company (Yes/No)</b>   | Yes  |
| vii. | <b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b> | In house Share Department  |

## 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:-

| Sr. 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                           | 79                                 |
| 2.      | Chemicals                                       | 20116                           | 20                                 |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

| Sr. No | Name and Address of the Company  | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|--------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1.     | UltraTech Cement Limited<br>B-Wing, Ahura Centre, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai-400093                          | L26940MH2000PLC128420 | Subsidiary                     | 60.25            | 2(87)              |
| 2.     | Grasim Bhiwani Textiles Limited<br>409, Cotton Exchange Building, Kalbadevi Road, Mumbai- 400002   | U17120MH2007PLC173993 | Subsidiary                     | 100              | 2(87)              |
| 3.     | Samruddhi Swastik Trading and Investments Limited<br>Birlagram, Nagda, Ujjain, Madhya Pradesh-456331                                     | U67120MP1994PLC008447 | Subsidiary                     | 100              | 2(87)              |
| 4.     | Sun God Trading and Investments Limited<br>Birlagram, Nagda, Ujjain, Madhya Pradesh-456331   | U67120MP1994PLC008446 | Subsidiary                     | 100              | 2(87)              |
| 5.     | Aditya Birla Science & Technology Company Private Limited<br>Aditya Birla Centre, C-Wing, 1st Floor S.K.Ahire Marg, Worli, Mumbai-400030 | U74200MH2006PTC158951 | Associate                      | 39               | 2(6)               |
| 6.     | Idea Cellular Limited<br>Suman Tower, Plot No.18, Sector-11, Gandhinagar, Gujarat- 382011  | L32100GJ1996PLC030976 | Associate                      | 4.75             | 2(6)               |

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category-wise Share Holding.

| Category of Shareholders | No. of Shares held at the beginning of the year<br>(1 <sup>st</sup> April 2014) |          |             |                   | No. of Shares held at the end of the year<br>(31 <sup>st</sup> March 2015) |          |             |                   | % Change during the year |
|--------------------------|---|----------|-------------|-------------------|--|----------|-------------|-------------------|--------------------------|
|                          | Demat   | Physical | Total       | % of Total Shares | Demat  | Physical | Total       | % of Total Shares |                          |
| A. Promoters             |   |          |             |                   |  |          |             |                   |                          |
| 1. Indian                |   |          |             |                   |  |          |             |                   |                          |
| a. Individual/ HUF       | 1,33,372  | -        | 1,33,372    | 0.15              | 1,33,372   | -        | 1,33,372    | 0.15              | -                        |
| b. Central Govt.         | -   | -        | -           | -                 | -  | -        | -           | -                 | -                        |
| c. State Govt.(s)        | -   | -        | -           | -                 | -  | -        | -           | -                 | -                        |
| d. Bodies Corp.          | 2,32,96,096   | -        | 2,32,96,096 | 25.36             | 2,32,96,096  | -        | 2,32,96,096 | 25.36             | -                        |
| e. Bank/ FI              | -   | -        | -           | -                 | -  | -        | -           | -                 | -                        |
| f. Any Other             | -   | -        | -           | -                 | -  | -        | -           | -                 | -                        |
| Sub Total- A(1)          | 2,34,29,468   | -        | 2,34,29,468 | 25.51             | 2,34,29,468  | -        | 2,34,29,468 | 25.51             | -                        |

| Category of Shareholders  | No. of Shares held at the beginning of the year<br>(1 <sup>st</sup> April 2014) |                  |                    |                   | No. of Shares held at the end of the year<br>(31 <sup>st</sup> March 2015) |                  |                    |                   | % Change during the year |
|---|---|------------------|--------------------|-------------------|--|------------------|--------------------|-------------------|--------------------------|
|   | Demat   | Physical         | Total              | % of Total Shares | Demat  | Physical         | Total              | % of Total Shares |                          |
| 2. Foreign  |   |                  |                    |                   |  |                  |                    |                   |                          |
| a. NRI-Individuals  | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| b. Other Individuals  | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| c. Body Corporate   | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| d. Bank/ FI   | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| e. Any Others   | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| <b>Sub Total- A(2)</b>  | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| <b>Total Share Holding of Promoters<br/>(A) = A(1) + A(2)</b>                   | <b>2,34,29,468</b>  | <b>-</b>         | <b>2,34,29,468</b> | <b>25.51</b>      | <b>2,34,29,468</b>   | <b>-</b>         | <b>2,34,29,468</b> | <b>25.51</b>      | <b>-</b>                 |
| <b>B. Public Shareholding</b>   |   |                  |                    |                   |  |                  |                    |                   |                          |
| 1. Institutions   |   |                  |                    |                   |  |                  |                    |                   |                          |
| a. Mutual Funds   | 52,95,405   | 7,978            | 53,03,383          | 5.78              | 70,04,163  | 7,978            | 70,12,141          | 7.63              | 1.85                     |
| b. Bank/ FI   | 66,707  | 12,773           | 79,480             | 0.09              | 1,69,818   | 12,536           | 1,82,354           | 0.20              | 0.11                     |
| c. Central Govt.  | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| d. State Govt.(s)   | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| e. Venture Capital Funds  | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| f. Insurance Companies  | 93,81,316   | 3,486            | 93,84,802          | 10.22             | 83,60,561  | 3,486            | 83,64,047          | 9.11              | -1.11                    |
| g. FIs  | 2,09,66,022   | 1,569            | 2,09,67,591        | 22.83             | 2,09,61,259  | 1,591            | 2,09,62,850        | 22.82             | -0.01                    |
| h. Foreign Venture Capital Fund   | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| i. Others   | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| <b>SubTotal- B(1)</b>   | <b>3,57,09,450</b>  | <b>25,806</b>    | <b>3,57,35,256</b> | <b>38.92</b>      | <b>3,64,95,801</b>   | <b>25,591</b>    | <b>3,65,21,392</b> | <b>39.76</b>      | <b>0.84</b>              |
| 2. Non-Institutions   |   |                  |                    |                   |  |                  |                    |                   |                          |
| a. Bodies Corp.   | 68,28,328   | 76,767           | 69,05,095          | 7.52              | 62,02,160  | 75,692           | 62,77,852          | 6.83              | -0.69                    |
| b. Individual   |   |                  |                    |                   |  |                  |                    |                   |                          |
| i. Individual shareholders holding nominal share capital upto ₹ 1 lakh          | 67,16,990   | 17,45,792        | 84,62,782          | 9.22              | 67,00,568  | 16,40,754        | 83,41,422          | 9.08              | -0.14                    |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh | 8,07,406  | -                | 8,07,406           | 0.88              | 7,79,300   | 30               | 7,79,330           | 0.85              | -0.03                    |
| c. Others   |   |                  |                    |                   |  |                  |                    |                   |                          |
| (i) NRI (Rep)   | 2,30,952  | 2,14,480         | 4,45,432           | 0.49              | 2,37,839   | 2,01,923         | 4,39,762           | 0.48              | -0.01                    |
| (ii) NRI (Non-Rep)  | 1,32,011  | 27,665           | 1,59,676           | 0.17              | 1,24,667   | 26,903           | 1,51,570           | 0.17              | -                        |
| (iii) Foreign National  | -   | -                | -                  | -                 | -  | -                | -                  | -                 | -                        |
| (iv) OCB  | -   | 26,22,613        | 26,22,613          | 2.86              | -  | 26,22,613        | 26,22,613          | 2.86              | -                        |
| <b>Sub Total- B(2)</b>  | <b>1,47,15,687</b>  | <b>46,87,317</b> | <b>1,94,03,004</b> | <b>21.13</b>      | <b>1,40,44,534</b>   | <b>45,68,015</b> | <b>1,86,12,549</b> | <b>20.26</b>      | <b>-0.87</b>             |
| <b>Total Public Shareholding<br/>B = B(1) + B(2)</b>                            | <b>5,04,25,137</b>  | <b>47,13,123</b> | <b>5,51,38,260</b> | <b>60.05</b>      | <b>5,05,40,335</b>   | <b>45,93,606</b> | <b>5,51,33,941</b> | <b>60.02</b>      | <b>-0.03</b>             |
| <b>Total (A+B)</b>  | <b>7,38,54,605</b>  | <b>47,13,123</b> | <b>7,85,67,728</b> | <b>85.56</b>      | <b>7,39,69,803</b>   | <b>45,93,606</b> | <b>7,85,63,409</b> | <b>85.53</b>      | <b>-0.03</b>             |
| C. Shares held by Custodian for GDRs & ADRs                                     |   |                  |                    |                   |  |                  |                    |                   |                          |
| Promoter and Promoter Group   | 48,02,304   | -                | 48,02,304          | 5.23              | 48,02,304  | -                | 48,02,304          | 5.23              | -                        |
| Public  | 84,56,689   | 250              | 84,56,939          | 9.21              | 84,86,222  | 250              | 84,86,472          | 9.24              | 0.03                     |
| <b>Total (C)</b>  | <b>1,32,58,993</b>  | <b>250</b>       | <b>1,32,59,243</b> | <b>14.44</b>      | <b>1,32,88,526</b>   | <b>250</b>       | <b>1,32,88,776</b> | <b>14.47</b>      | <b>0.03</b>              |
| <b>Grand Total (A+B+C)</b>  | <b>8,71,13,598</b>  | <b>47,13,373</b> | <b>9,18,26,971</b> | <b>100.00</b>     | <b>8,72,58,329</b>   | <b>45,93,856</b> | <b>9,18,52,185</b> | <b>100.00</b>     | <b>-</b>                 |

**Note:** There is no change in the number of shares held by the promoter and promoter groups.

## ii. Shareholding of Promoters:

| Sl. No.      | Shareholder's Name                                | Shareholding at the beginning of the year (1st April 2014) |                                  |  | Shareholding at the end of the year (31st March 2015) |                                  |  | % 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 |  |
| 1            | Mr. Kumar Mangalam Birla                          | 6,016  | 0.01                             | -  | 6,016   | 0.01                             | -  | -  |
| 2            | Aditya Vikram Kumar Mangalam Birla HUF            | 17,899   | 0.02                             | -  | 17,899  | 0.02                             | -  | -  |
| 3            | Mrs. Rajashree Birla                              | 72,280   | 0.08                             | -  | 72,280  | 0.08                             | -  | -  |
| 4            | Mrs. Vasavadatta Bajaj                            | 23,157   | 0.03                             | -  | 23,157  | 0.03                             | -  | -  |
| 5            | Mrs. Neerja Birla                                 | 14,020   | 0.02                             | -  | 14,020  | 0.02                             | -  | -  |
| 6            | Turquoise Investment and Finance Private Limited  | 59,08,341  | 6.43                             | -  | 59,08,341   | 6.43                             | -  | -  |
| 7            | Trapti Trading and Investment Private Limited     | 54,77,863  | 5.96                             | -  | 54,77,863   | 5.96                             | -  | -  |
| 8            | Pilani Investment and Industries Corporation Ltd. | 43,00,293  | 4.68                             | -  | 43,00,293   | 4.68                             | -  | -  |
| 9            | TGS Investment and Trade Private Limited          | 27,75,104  | 3.02                             | -  | 27,75,104   | 3.02                             | -  | -  |
| 10           | Hindalco Industries Limited                       | 22,99,059  | 2.50                             | -  | 22,99,059   | 2.50                             | -  | -  |
| 11           | Umang Commercial Company Ltd                      | 16,00,823  | 1.74                             | -  | 16,00,823   | 1.74                             | -  | -  |
| 12           | IGH Holdings Private Limited                      | 5,32,628   | 0.58                             | -  | 5,32,628  | 0.58                             | -  | -  |
| 13           | Manav Investment and Trading Co. Ltd.             | 2,05,307   | 0.22                             | -  | 2,05,307  | 0.22                             | -  | -  |
| 14           | Birla Institute of Technology and Science         | 1,32,241   | 0.14                             | -  | 1,32,241  | 0.14                             | -  | -  |
| 15           | ECE Industries Ltd                                | 31,670   | 0.03                             | -  | 31,670  | 0.03                             | -  | -  |
| 16           | Birla Group Holdings Pvt. Limited                 | 12,364   | 0.01                             | -  | 12,364  | 0.01                             | -  | -  |
| 17           | Birla Industrial Finance (India) Limited          | 9,160  | 0.01                             | -  | 9,160   | 0.01                             | -  | -  |
| 18           | Birla Consultants Limited                         | 8,880  | 0.01                             | -  | 8,880   | 0.01                             | -  | -  |
| 19           | Birla Industrial Investments (India) Limited      | 1,945  | 0.00                             | -  | 1,945   | 0.00                             | -  | -  |
| 20           | Vikram Holdings Pvt. Ltd.                         | 150  | 0.00                             | -  | 150   | 0.00                             | -  | -  |
| 21           | Rajratna Holdings Private Limited                 | 134  | 0.00                             | -  | 134   | 0.00                             | -  | -  |
| 22           | Vaibhav Holdings Private Limited                  | 134  | 0.00                             | -  | 134   | 0.00                             | -  | -  |
| <b>Total</b> |   | <b>2,34,29,468</b>   | <b>25.51</b>                     | <b>-</b>   | <b>2,34,29,468</b>                                    | <b>25.51</b>                     | <b>-</b>   | <b>-</b>                                 |

iii. Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the shareholding of the Promoter Group.

## iv. Shareholding pattern of top ten Shareholders (other than, Director, Promoters and Holders of GDRs and ADRs)

| Sl. No. | Shareholders Name                   | Shareholding  |                                  | Date of Transaction | Increase/ Decrease in shareholding during the year | Reason   | Cumulative shareholding during the year |                                  |
|---------|-------------------------------------|---|----------------------------------|---------------------|--|----------|---|----------------------------------|
|         |                                     | No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company |                     |  |          | No. of shares                           | % of total shares of the Company |
| 1       | LIFE INSURANCE CORPORATION OF INDIA | 76,96,546   | 8.38                             | 1-Apr-14            | -  | -        | 76,96,546                               | 8.38                             |
|         |                                     |   |                                  | 4-Apr-14            | (26,503)   | Transfer | 76,70,043                               | 8.35                             |
|         |                                     |   |                                  | 11-Apr-14           | (27,387)   | Transfer | 76,42,656                               | 8.32                             |
|         |                                     |   |                                  | 25-Apr-14           | (22,547)   | Transfer | 76,20,109                               | 8.30                             |
|         |                                     |   |                                  | 16-May-14           | 25,330   | Transfer | 76,45,439                               | 8.33                             |
|         |                                     |   |                                  | 13-Jun-14           | (19,936)   | Transfer | 76,25,503                               | 8.30                             |
|         |                                     |   |                                  | 20-Jun-14           | (85,769)   | Transfer | 75,39,734                               | 8.21                             |
|         |                                     |   |                                  | 30-Jun-14           | (70,759)   | Transfer | 74,68,975                               | 8.13                             |
|         |                                     |   |                                  | 4-Jul-14            | (26,233)   | Transfer | 74,42,742                               | 8.11                             |
|         |                                     |   |                                  | 11-Jul-14           | (3,974)  | Transfer | 74,38,768                               | 8.10                             |
|         |                                     |   |                                  | 25-Jul-14           | (236)  | Transfer | 74,38,532                               | 8.10                             |
|         |                                     |   |                                  | 8-Aug-14            | 2,585  | Transfer | 74,41,117                               | 8.10                             |

| Sl. No. | Shareholders Name                            | Shareholding  |                                  | Date of Transaction | Increase/ Decrease in shareholding during the year | Reason   | Cumulative shareholding during the year |                                  |
|---------|--|---|----------------------------------|---------------------|--|----------|---|----------------------------------|
|         |  | No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company |                     |  |          | No. of shares                           | % of total shares of the Company |
|         |  | 67,62,454   | 7.36                             | 14-Aug-14           | 21,711   | Transfer | 74,62,828                               | 8.13                             |
|         |  |   |                                  | 22-Aug-14           | 36,263   | Transfer | 74,99,091                               | 8.17                             |
|         |  |   |                                  | 5-Sep-14            | 4,549  | Transfer | 75,03,640                               | 8.17                             |
|         |  |   |                                  | 12-Sep-14           | (38,039)   | Transfer | 74,65,601                               | 8.13                             |
|         |  |   |                                  | 19-Sep-14           | (65,773)   | Transfer | 73,99,828                               | 8.06                             |
|         |  |   |                                  | 30-Sep-14           | (34,887)   | Transfer | 73,64,941                               | 8.02                             |
|         |  |   |                                  | 17-Oct-14           | (40,823)   | Transfer | 73,24,118                               | 7.98                             |
|         |  |   |                                  | 24-Oct-14           | (2,053)  | Transfer | 73,22,065                               | 7.97                             |
|         |  |   |                                  | 31-Oct-14           | (15,950)   | Transfer | 73,06,115                               | 7.96                             |
|         |  |   |                                  | 7-Nov-14            | (1,70,005)   | Transfer | 71,36,110                               | 7.77                             |
|         |  |   |                                  | 14-Nov-14           | (5,110)  | Transfer | 71,31,000                               | 7.77                             |
|         |  |   |                                  | 21-Nov-14           | (14,776)   | Transfer | 71,16,224                               | 7.75                             |
|         |  |   |                                  | 5-Dec-14            | (16,600)   | Transfer | 70,99,624                               | 7.73                             |
|         |  |   |                                  | 12-Dec-14           | 3,200  | Transfer | 71,02,824                               | 7.74                             |
|         |  |   |                                  | 19-Dec-14           | 1,27,280   | Transfer | 72,30,104                               | 7.87                             |
|         |  |   |                                  | 31-Dec-14           | 82,955   | Transfer | 73,13,059                               | 7.96                             |
|         |  |   |                                  | 2-Jan-15            | 2,517  | Transfer | 73,15,576                               | 7.97                             |
|         |  |   |                                  | 9-Jan-15            | 44,161   | Transfer | 73,59,737                               | 8.02                             |
|         |  |   |                                  | 16-Jan-15           | 5,106  | Transfer | 73,64,843                               | 8.02                             |
|         |  |   |                                  | 23-Jan-15           | (210)  | Transfer | 73,64,633                               | 8.02                             |
|         |  |   |                                  | 30-Jan-15           | (25,515)   | Transfer | 73,39,118                               | 7.99                             |
|         |  |   |                                  | 6-Feb-15            | (2,39,297)   | Transfer | 70,99,821                               | 7.73                             |
|         |  |   |                                  | 13-Feb-15           | (1,77,889)   | Transfer | 69,21,932                               | 7.54                             |
|         |  |   |                                  | 20-Feb-15           | (96,338)   | Transfer | 68,25,594                               | 7.43                             |
|         |  |   |                                  | 27-Feb-15           | 1,320  | Transfer | 68,26,914                               | 7.43                             |
|         |  |   |                                  | 6-Mar-15            | (44,460)   | Transfer | 67,82,454                               | 7.39                             |
|         |  |   |                                  | 27-Mar-15           | (20,000)   | Transfer | 67,62,454                               | 7.36                             |
|         |  |   |                                  | 31-Mar-15           | -  | -        | 67,62,454                               | 7.36                             |
| 2       | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD. | 33,18,701   | 3.61                             | 1-Apr-14            | -  | -        | 33,18,701                               | 3.61                             |
|         |  |   |                                  | 4-Apr-14            | (12,431)   | Transfer | 33,06,270                               | 3.60                             |
|         |  |   |                                  | 11-Apr-14           | (1,13,809)   | Transfer | 31,92,461                               | 3.48                             |
|         |  |   |                                  | 18-Apr-14           | (10,368)   | Transfer | 31,82,093                               | 3.47                             |
|         |  |   |                                  | 25-Apr-14           | (5,186)  | Transfer | 31,76,907                               | 3.46                             |
|         |  |   |                                  | 2-May-14            | (11,487)   | Transfer | 31,65,420                               | 3.45                             |
|         |  |   |                                  | 9-May-14            | (9,137)  | Transfer | 31,56,283                               | 3.44                             |
|         |  |   |                                  | 16-May-14           | (23,058)   | Transfer | 31,33,225                               | 3.41                             |
|         |  |   |                                  | 23-May-14           | (11,584)   | Transfer | 31,21,641                               | 3.40                             |
|         |  |   |                                  | 30-May-14           | (44,498)   | Transfer | 30,77,143                               | 3.35                             |
|         |  |   |                                  | 6-Jun-14            | (33,574)   | Transfer | 30,43,569                               | 3.31                             |
|         |  |   |                                  | 13-Jun-14           | (48,653)   | Transfer | 29,94,916                               | 3.26                             |
|         |  |   |                                  | 20-Jun-14           | (2,442)  | Transfer | 29,92,474                               | 3.26                             |
|         |  |   |                                  | 30-Jun-14           | 295  | Transfer | 29,92,769                               | 3.26                             |
|         |  |   |                                  | 4-Jul-14            | 12,631   | Transfer | 30,05,400                               | 3.27                             |
|         |  |   |                                  | 11-Jul-14           | 3,536  | Transfer | 30,08,936                               | 3.28                             |
|         |  |   |                                  | 11-Jul-14           | (4,665)  | Transfer | 30,04,271                               | 3.27                             |
|         |  |   |                                  | 25-Jul-14           | 6,288  | Transfer | 30,10,559                               | 3.28                             |
|         |  |   |                                  | 1-Aug-14            | 1,134  | Transfer | 30,11,693                               | 3.28                             |
|         |  |   |                                  | 8-Aug-14            | (15,555)   | Transfer | 29,96,138                               | 3.26                             |
|         |  |   |                                  | 14-Aug-14           | (20,460)   | Transfer | 29,75,678                               | 3.24                             |
|         |  |   |                                  | 22-Aug-14           | (30,909)   | Transfer | 29,44,769                               | 3.21                             |

| Sl. No. | Shareholders Name                                 | Shareholding  |                                  | Date of Transaction | Increase/ Decrease in shareholding during the year | Reason   | Cumulative shareholding during the year |                                  |
|---------|---|---|----------------------------------|---------------------|--|----------|---|----------------------------------|
|         |   | No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company |                     |  |          | No. of shares                           | % of total shares of the Company |
|         |   | 32,59,852   | 3.55                             | 29-Aug-14           | (1,656)  | Transfer | 29,43,113                               | 3.21                             |
|         |   |   |                                  | 5-Sep-14            | 3,921  | Transfer | 29,47,034                               | 3.21                             |
|         |   |   |                                  | 12-Sep-14           | (4,089)  | Transfer | 29,42,945                               | 3.20                             |
|         |   |   |                                  | 9-Sep-14            | (1,989)  | Transfer | 29,40,956                               | 3.20                             |
|         |   |   |                                  | 30-Sep-14           | 5,216  | Transfer | 29,46,172                               | 3.21                             |
|         |   |   |                                  | 3-Oct-14            | (345)  | Transfer | 29,45,827                               | 3.21                             |
|         |   |   |                                  | 10-Oct-14           | 8,671  | Transfer | 29,54,498                               | 3.22                             |
|         |   |   |                                  | 17-Oct-14           | (13,647)   | Transfer | 29,40,851                               | 3.20                             |
|         |   |   |                                  | 24-Oct-14           | 23,972   | Transfer | 29,64,823                               | 3.23                             |
|         |   |   |                                  | 30-Oct-14           | 23,532   | Transfer | 29,88,355                               | 3.25                             |
|         |   |   |                                  | 4-Nov-14            | 41,798   | Transfer | 30,30,153                               | 3.30                             |
|         |   |   |                                  | 14-Nov-14           | 8,512  | Transfer | 30,38,665                               | 3.31                             |
|         |   |   |                                  | 21-Nov-14           | 56,896   | Transfer | 30,95,561                               | 3.37                             |
|         |   |   |                                  | 28-Nov-14           | 8,091  | Transfer | 31,03,652                               | 3.38                             |
|         |   |   |                                  | 5-Dec-14            | 57,394   | Transfer | 31,61,046                               | 3.44                             |
|         |   |   |                                  | 12-Dec-14           | 47,555   | Transfer | 32,08,601                               | 3.49                             |
|         |   |   |                                  | 19-Dec-14           | 1,578  | Transfer | 32,10,179                               | 3.50                             |
|         |   |   |                                  | 31-Dec-14           | 34,236   | Transfer | 32,44,415                               | 3.53                             |
|         |   |   |                                  | 2-Jan-15            | 5,103  | Transfer | 32,49,518                               | 3.54                             |
|         |   |   |                                  | 9-Jan-15            | 7,426  | Transfer | 32,56,944                               | 3.55                             |
|         |   |   |                                  | 16-Jan-15           | 10,086   | Transfer | 32,67,030                               | 3.56                             |
|         |   |   |                                  | 23-Jan-15           | 7,697  | Transfer | 32,74,727                               | 3.57                             |
|         |   |   |                                  | 30-Jan-15           | (25,339)   | Transfer | 32,49,388                               | 3.54                             |
|         |   |   |                                  | 6-Feb-15            | (4,895)  | Transfer | 32,44,493                               | 3.53                             |
|         |   |   |                                  | 13-Feb-15           | (1,579)  | Transfer | 32,42,914                               | 3.53                             |
|         |   |   |                                  | 20-Feb-15           | (4,410)  | Transfer | 32,38,504                               | 3.53                             |
|         |   |   |                                  | 27-Feb-15           | (18,280)   | Transfer | 32,20,224                               | 3.51                             |
|         |   |   |                                  | 6-Mar-15            | 23,427   | Transfer | 32,43,651                               | 3.53                             |
|         |   |   |                                  | 13-Mar-15           | (14,466)   | Transfer | 32,29,185                               | 3.52                             |
|         |   |   |                                  | 20-Mar-15           | (1,576)  | Transfer | 32,27,609                               | 3.51                             |
|         |   |   |                                  | 27-Mar-15           | 17,702   | Transfer | 32,45,311                               | 3.53                             |
|         |   |   |                                  | 31-Mar-15           | 14,271   | Transfer | 32,59,582                               | 3.55                             |
| 3       | ABERDEEN GLOBAL INDIAN EQUITY (MAURITIUS) LIMITED | 31,56,226   | 3.44                             | 1-Apr-14            | -  | -        | 31,56,226                               | 3.44                             |
|         |   |   |                                  | 9-May-14            | (33,880)   | -        | 31,22,346                               | 3.40                             |
|         |   | 31,22,346   | 3.40                             | 31-Mar-15           | -  | -        | 31,22,346                               | 3.40                             |
| 4       | EUROPACIFIC GROWTH FUND                           | 15,44,513   | 1.68                             | 1-Apr-14            | -  | -        | 15,44,513                               | 1.68                             |
|         |   | 15,44,513   | 1.68                             | 31-Mar-15           | -  | -        | 15,44,513                               | 1.68                             |
| 5       | HDFC TRUSTEE COMPANY LIMITED - HDFC EQUITY FUND   | 3,17,115  | 0.35                             | 1-Apr-14            | -  | -        | 3,17,115                                | 0.35                             |
|         |   |   |                                  | 25-Apr-14           | 35,700   | Transfer | 3,52,815                                | 0.38                             |
|         |   |   |                                  | 30-Jun-14           | 21,420   | Transfer | 3,74,235                                | 0.41                             |
|         |   |   |                                  | 5-Sep-14            | 10,000   | Transfer | 3,84,235                                | 0.42                             |
|         |   |   |                                  | 12-Sep-14           | 35,700   | Transfer | 4,19,935                                | 0.46                             |
|         |   |   |                                  | 19-Sep-14           | 18,000   | Transfer | 4,37,935                                | 0.48                             |
|         |   |   |                                  | 30-Sep-14           | 5,000  | Transfer | 4,42,935                                | 0.48                             |
|         |   |   |                                  | 10-Oct-14           | 48,000   | Transfer | 4,90,935                                | 0.53                             |
|         |   |   |                                  | 31-Oct-14           | 20,000   | Transfer | 5,10,935                                | 0.56                             |
|         |   |   |                                  | 7-Nov-14            | 7,200  | Transfer | 5,18,135                                | 0.56                             |
|         |   |   |                                  | 28-Nov-14           | 16,438   | Transfer | 5,34,573                                | 0.58                             |



| Sl. No. | Shareholders Name   | Shareholding  |                                  | Date of Transaction | Increase/ Decrease in shareholding during the year | Reason   | Cumulative shareholding during the year |                                  |
|---------|---|---|----------------------------------|---------------------|--|----------|---|----------------------------------|
|         |   | No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company |                     |  |          | No. of shares                           | % of total shares of the Company |
|         |   | 9,99,473  | 1.09                             | 5-Dec-14            | 35,000   | Transfer | 5,69,573                                | 0.62                             |
|         |   |   |                                  | 12-Dec-14           | 5,000  | Transfer | 5,74,573                                | 0.63                             |
|         |   |   |                                  | 19-Dec-14           | 68,000   | Transfer | 6,42,573                                | 0.70                             |
|         |   |   |                                  | 2-Jan-15            | 10,000   | Transfer | 6,52,573                                | 0.71                             |
|         |   |   |                                  | 23-Jan-15           | 18,000   | Transfer | 6,70,573                                | 0.73                             |
|         |   |   |                                  | 30-Jan-15           | 30,000   | Transfer | 7,00,573                                | 0.76                             |
|         |   |   |                                  | 13-Feb-15           | 96,000   | Transfer | 7,96,573                                | 0.87                             |
|         |   |   |                                  | 20-Feb-15           | 57,500   | Transfer | 8,54,073                                | 0.93                             |
|         |   |   |                                  | 27-Feb-15           | 82,100   | Transfer | 9,36,173                                | 1.02                             |
|         |   |   |                                  | 6-Mar-15            | 30,000   | Transfer | 9,66,173                                | 1.05                             |
|         |   |   |                                  | 13-Mar-15           | 33,300   | Transfer | 9,99,473                                | 1.09                             |
| 6       | ABERDEEN EMERGING MARKETS FUND  | 8,46,892<br>8,50,794  | 0.92<br>0.93                     | 31-Mar-15           |  |          | 9,99,473                                | 1.09                             |
|         |   |   |                                  | 1-Apr-14            | -  | -        | 8,46,892                                | 0.92                             |
|         |   |   |                                  | 31-Mar-15           | 3,902  | Transfer | 8,50,794                                | 0.93                             |
| 7       | GENERAL INSURANCE CORPORATION OF INDIA  | 8,85,204  | 0.96                             | 1-Apr-14            | -  | -        | 8,85,204                                | 0.96                             |
|         |   |   |                                  | 30-May-14           | 4,351  | Transfer | 8,89,555                                | 0.97                             |
|         |   |   |                                  | 13-Jun-14           | (4,351)  | Transfer | 8,85,204                                | 0.96                             |
|         |   |   |                                  | 27-Mar-15           | (5,000)  | Transfer | 8,80,204                                | 0.96                             |
|         |   |   |                                  | 31-Mar-15           | (40,000)   | Transfer | 8,40,204                                | 0.92                             |
| 8       | FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS FUND                                   | 5,56,289  | 0.61                             | 1-Apr-14            | -  | -        | 5,56,289                                | 0.61                             |
|         |   |   |                                  | 22-Aug-14           | 2,025  | Transfer | 5,58,314                                | 0.61                             |
|         |   |   |                                  | 29-Aug-14           | 8,425  | Transfer | 5,66,739                                | 0.62                             |
|         |   |   |                                  | 12-Sep-14           | 5,986  | Transfer | 5,72,725                                | 0.62                             |
|         |   |   |                                  | 19-Sep-14           | 11,289   | Transfer | 5,84,014                                | 0.64                             |
|         |   |   |                                  | 30-Sep-14           | 2,462  | Transfer | 5,86,476                                | 0.64                             |
|         |   |   |                                  | 10-Oct-14           | 11,515   | Transfer | 5,97,991                                | 0.65                             |
|         |   |   |                                  | 17-Oct-14           | 11,206   | Transfer | 6,09,197                                | 0.66                             |
|         |   |   |                                  | 31-Oct-14           | 3,401  | Transfer | 6,12,598                                | 0.67                             |
|         |   |   |                                  | 14-Nov-14           | 2,807  | Transfer | 6,15,405                                | 0.67                             |
|         |   |   |                                  | 21-Nov-14           | 6,995  | Transfer | 6,22,400                                | 0.68                             |
|         |   |   |                                  | 12-Dec-14           | 18,013   | Transfer | 6,40,413                                | 0.70                             |
|         |   |   |                                  | 19-Dec-14           | 32,271   | Transfer | 6,72,684                                | 0.73                             |
|         |   |   |                                  | 2-Jan-15            | 1,533  | Transfer | 6,74,217                                | 0.73                             |
|         |   |   |                                  | 9-Jan-15            | 34,566   | Transfer | 7,08,783                                | 0.77                             |
|         |   |   |                                  | 16-Jan-15           | 19,571   | Transfer | 7,28,354                                | 0.79                             |
|         |   |   |                                  | 23-Jan-15           | 17,342   | Transfer | 7,45,696                                | 0.81                             |
|         |   |   |                                  | 6-Mar-15            | 13,585   | Transfer | 7,59,281                                | 0.83                             |
|         |   |   |                                  | 13-Mar-15           | 6,049  | Transfer | 7,65,330                                | 0.83                             |
|         |   |   |                                  | 27-Mar-15           | 74,167   | Transfer | 8,39,497                                | 0.91                             |
| 9       | ABERDEEN EMERGING MARKETS EQUITY FUND, A SERIES OF THE ABERDEEN INSTITUTIONAL COMMINGLED FUND LCC | 8,37,268  | 0.91                             | 31-Mar-15           |  |          | 8,39,497                                | 0.91                             |
|         |   |   |                                  | 1-Apr-14            | -  | -        | 8,37,268                                | 0.91                             |
|         |   |   |                                  | 31-Mar-15           | -  | -        | 8,37,268                                | 0.91                             |
| 10      | ABERDEEN GLOBAL EMERGING MARKETS EQUITY FUND  | 8,00,274  | 0.87                             | 1-Apr-14            | -  | -        | 8,00,274                                | 0.87                             |
|         |   |   |                                  | 31-Mar-15           | -  | -        | 8,00,274                                | 0.87                             |

## v. Shareholding of Directors and Key Managerial Personnel:

| Sl. No | For Each of the Directors and KMP  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1.     | <b>Mr. Kumar Mangalam Birla (Director)</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 23,915*                                   | 0.03                             | 23,915*                                 | 0.03                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 23,915                                    | 0.03                             | 23,915                                  | 0.03                             |
| 2.     | <b>Mrs. Rajashree Birla (Director)</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 72,280                                    | 0.08                             | 72,280                                  | 0.08                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 72,280                                    | 0.08                             | 72,280                                  | 0.08                             |
| 3.     | <b>Mr. M. L. Apte (Director)</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 130                                       | 0.00                             | 130                                     | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 130                                       | 0.00                             | 130                                     | 0.00                             |
| 4.     | <b>Mr. B. V. Bhargava (Director)</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 357                                       | 0.00                             | 357                                     | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 357                                       | 0.00                             | 357                                     | 0.00                             |
| 5.     | <b>Mr. R. C. Bhargava (Director)</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 227                                       | 0.00                             | 227                                     | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 227                                       | 0.00                             | 227                                     | 0.00                             |
| 6.     | <b>Dr. Thomas M. Connelly Jr. (Director)</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 100                                       | 0.00                             | 100                                     | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 100                                       | 0.00                             | 100                                     | 0.00                             |
| 7.     | <b>Mr. Shailendra K. Jain (Director)</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 13,964                                    | 0.02                             | 12,999                                  | 0.01                             |
|        | Date wise Increase / Decrease:   |   |                                  |   |                                  |
|        | 16-May-14  | (265)                                     | -                                | 13,699                                  | 0.01                             |
|        | 30-May-14  | (100)                                     | -                                | 13,599                                  | 0.01                             |
|        | 06-Jul-14  | (600)                                     | -                                | 12,999                                  | 0.01                             |
|        | At the End of the year   | 12,999                                    | 0.01                             | 12,999                                  | 0.01                             |
| 8.     | <b>Mr. N. Mohan Raj (Director)</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 100                                       | 0.00                             | 100                                     | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 100                                       | 0.00                             | 100                                     | 0.00                             |
| 9.     | <b>Mr. D. D. Rathi (Director) (Ceased to be a Director on 25<sup>th</sup> September 2014)</b>              |   |                                  |   |                                  |
|        | At the beginning of the year   | 3,650                                     | 0.00                             | 3,650                                   | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | N.A.                                      |                                  |   |                                  |
| 10.    | <b>Mr. O. P. Rungta (Director) (Appointed as an Additional Director on 25<sup>th</sup> September 2014)</b> |   |                                  |   |                                  |
|        | At the beginning of the year   | 127                                       | 0.00                             | 127                                     | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 127                                       | 0.00                             | 127                                     | 0.00                             |
| 11.    | <b>Mr. Cyril Shroff (Director)</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 137                                       | 0.00                             | 137                                     | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 137                                       | 0.00                             | 137                                     | 0.00                             |
| 12.    | <b>Mr. K. K. Maheshwari (Managing Director)</b>  |   |                                  |   |                                  |
|        | At the beginning of the year   | 5,797                                     | 0.01                             | 5,797                                   | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 5,797                                     | 0.01                             | 5,797                                   | 0.01                             |
| 13.    | <b>Mr. Adesh Kumar Gupta (Whole Time Director &amp; Chief Financial Officer)</b>                           |   |                                  |   |                                  |
|        | At the beginning of the year   | 980                                       | 0.00                             | 980                                     | 0.00                             |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | 980                                       | 0.00                             | 980                                     | 0.00                             |
| 14.    | <b>Mr. Ashok Malu (Company Secretary) (Ceased to be a KMP on 28th February 2015)</b>                       |   |                                  |   |                                  |
|        | At the beginning of the year   | 1,171                                     | 0.00                             | 1,811                                   | 0.00                             |
|        | Date wise Increase / Decrease:   |   |                                  |   |                                  |
|        | 21-Aug-14  | 350                                       | -                                | 1,521                                   | 0.00                             |
|        | 14-Nov-14  | (1,000)                                   | -                                | 521                                     | 0.00                             |
|        | 28-Nov-14  | 1,290                                     | -                                | 1,811                                   | 0.00                             |
|        | At the End of the year   | N.A.                                      |                                  |   |                                  |
| 15.    | <b>Mrs. Hutokshi Wadia (Company Secretary) (Appointed as a KMP on 1st March 2015)</b>                      |   |                                  |   |                                  |
|        | At the beginning of the year   | N.A.                                      |                                  |   |                                  |
|        | Date wise Increase / Decrease:   | -   | -                                | -                                       | -                                |
|        | At the End of the year   | Nil                                       |                                  |   |                                  |

\* 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 |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year 1<sup>st</sup> April 2014</b> |                                  |                 |          |                    |
| i Principal Amount   | 1,210.45                         | 91.63           | -        | 1,302.08           |
| ii Interest due but not paid   | -                                | -               | -        | -                  |
| iii Interest accrued but not due   | 8.32                             | -               | -        | 8.32               |
| <b>Total of (i+ii+iii)</b>   | <b>1,218.77</b>                  | <b>91.63</b>    | <b>-</b> | <b>1,310.40</b>    |
| <b>Change in Indebtedness during the financial year</b>                              |                                  |                 |          |                    |
| • Addition   | 36.39                            | 68.85           | -        | 105.24             |
| • Reduction  | (240.99)                         | (51.37)         | -        | (292.36)           |
| <b>Net change</b>  | <b>(204.60)</b>                  | <b>17.48</b>    | <b>-</b> | <b>(187.12)</b>    |
| <b>Indebtedness at the end of the financial year 31<sup>st</sup> March 2015</b>      |                                  |                 |          |                    |
| i Principal Amount   | 1,005.85                         | 109.11          | -        | 1,114.96           |
| ii Interest due but not paid   | -                                | -               | -        | -                  |
| iii Interest accrued but not due   | 9.09                             | 0.04            | -        | 9.13               |
| <b>Total of (i+ii+iii)</b>   | <b>1,014.94</b>                  | <b>109.15</b>   | <b>-</b> | <b>1,124.09</b>    |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole Time Directors and/or Manager:**

(₹ In Lakh)

| Sr. No | Particulars of Remuneration   | Name of MD/WTD/Manager                   |  | Total Amount    |
|--------|---|--|--|-----------------|
|        |   | Mr. K.K. Maheshwari<br>Managing Director | Mr. Adesh Kumar Gupta<br>Whole Time Director |                 |
| 1.     | Gross Salary  |  |  |                 |
|        | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 531.58                                   | 195.37                                       | 726.95          |
|        | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961                             | 1.61                                     | 5.08   | 6.69            |
|        | (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<br>Provident Fund & other Funds (PF, SAF, NPS)               | 47.16                                    | 34.79  | 81.95           |
| 6.     | Performance Bonus   | 225.00                                   | 49.62  | 274.62          |
|        | <b>Total (A)</b>  | <b>805.35</b>                            | <b>284.86</b>                                | <b>1,090.21</b> |
|        | Ceiling as per the Act  | 10% of the net profits 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 | Dr. Thomas Connolly Jr. | Mr. O.P. Rungta# | Mr. Cyril Shroff |              |
| Fee for attending board / committee meetings | 3.95              | 3.85              | 3.10              | 1.70                    | 1.50             | 1.45             | 15.55        |
| Commission                                   | 11.25             | 14.00             | 11.00             | 2.00                    | 1.50             | 5.00             | 44.75        |
| Others                                       | -                 | -                 | -                 | -                       | -                | -                | -            |
| <b>Total (1)</b>                             | <b>15.20</b>      | <b>17.85</b>      | <b>14.10</b>      | <b>3.70</b>             | <b>3.00</b>      | <b>6.45</b>      | <b>60.30</b> |

# Appointed as Additional Director w.e.f. 25<sup>th</sup> September 2014

## II. Other Non-Executive Directors :-

(₹ In Lakh)

| Other Non-Executive Directors                | Mr. Kumar Mangalam Birla            | Mrs. Rajashree Birla | Mr. Shailendra K. Jain | Mr. D. D. Rathi* | Mr. N. Mohanraj | Total Amount  |
|--|-------------------------------------|----------------------|------------------------|------------------|-----------------|---------------|
| Fee for attending board / committee meetings | 1.85                                | 1.60                 | 2.10                   | 0.50             | 1.90            | 7.95          |
| Commission                                   | 450.00                              | 31.00                | 10.50                  | 1.25             | 2.50#           | 495.25        |
| Others                                       | -                                   | -                    | -                      | -                | -               | -             |
| <b>Total (2)</b>                             | <b>451.85</b>                       | <b>32.60</b>         | <b>12.60</b>           | <b>1.75</b>      | <b>4.40</b>     | <b>503.20</b> |
| <b>Total B = (1 + 2)</b>                     |                                     |                      |                        |                  |                 | <b>563.50</b> |
| Ceiling as per the Act                       | 1% of the net profit of the Company |                      |                        |                  |                 |               |

\*Ceased to be a Director w.e.f. 25<sup>th</sup> September 2014

#To be paid to LIC

## C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

(₹ In Lakh)

| Sr. No | Particulars of Remuneration   | Name of the KMP |                      | Total Amount  |
|--------|---|-----------------|----------------------|---------------|
|        |   | Mr. Ashok Malu* | Mrs. Hutokshi Wadia# |               |
| 1.     | Gross Salary  |                 |                      |               |
|        | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 71.77           | 3.71                 | 75.49         |
|        | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961                             | 74.22           | 0.03                 | 0.78          |
|        | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961              | -               | -                    | -             |
| 2.     | Stock Option  | 32.40           | -                    | 32.40         |
| 3.     | Sweat Equity  | -               | -                    | -             |
| 4.     | Commission<br>- as % of Profit<br>- Others, specify                                 | -<br>-          | -<br>-               | -<br>-        |
| 5.     | Others, please specify<br>Contribution to Provident Fund                            | 7.79            | 0.31                 | 8.10          |
|        | Performance Bonus   | 16.13           | -                    | 16.13         |
|        | <b>Total (C)</b>  | <b>128.84</b>   | <b>4.06</b>          | <b>132.90</b> |

\*Ceased to be a KMP w.e.f. 1st March 2015

#Appointed as a KMP w.e.f. 1st March 2015

## VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):

| Type                         | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY                   |                              |                   |   |                               |                                    |
| Penalty                      | None                         |                   |   |                               |                                    |
| Punishment                   |                              |                   |   |                               |                                    |
| Compounding                  |                              |                   |   |                               |                                    |
| B. DIRECTORS                 |                              |                   |   |                               |                                    |
| Penalty                      | None                         |                   |   |                               |                                    |
| Punishment                   |                              |                   |   |                               |                                    |
| Compounding                  |                              |                   |   |                               |                                    |
| C. OTHER OFFICERS IN DEFAULT |                              |                   |   |                               |                                    |
| Penalty                      | None                         |                   |   |                               |                                    |
| Punishment                   |                              |                   |   |                               |                                    |
| Compounding                  |                              |                   |   |                               |                                    |

**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**

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation                            | Ratio of remuneration of each Director to the median remuneration of employees for the Financial Year 2014- 15 <sup>(a)</sup> | % increase/ (decrease) in Remuneration in the Financial Year 2014-15 | Comparison of the Remuneration of the KMP against the performance of the Company |
|---------|---|---|--|--|
| 1       | Mr. Kumar Mangalam Birla<br>Chairman and Non Executive Director | 120.64  | (43.0)   | Not Applicable   |
| 2       | Mrs. Rajashree Birla<br>Non Executive Director                  | 8.31  | (16.2)   |  |
| 3       | Mr. M. L. Apte<br>Independent Director                          | 3.02  | (13.5)   |  |
| 4       | Mr. B. V. Bhargava<br>Independent Director                      | 3.75  | (26.3)   |  |
| 5       | Mr. R. C. Bhargava<br>Independent Director                      | 2.95  | (31.3)   |  |
| 6       | Mr. Cyril Shroff<br>Independent Director                        | 1.34  | (28.6)   |  |
| 7       | Dr. Thomas M. Connelly Jr.<br>Independent Director              | 0.54  | (33.3)   |  |
| 8       | Mr. O. P. Rungta<br>Independent Director                        | Not Applicable <sup>(b)</sup>   | Not Applicable <sup>(b)</sup>  |  |
| 9       | Mr. N. Mohan Raj<br>Nominee Director (payable to LIC)           | 0.67  | 25.0   |  |
| 10      | Mr. Shailendra K. Jain<br>Non Executive Director                | 2.82  | (12.5)   |  |
| 11      | Mr. D. D. Rathi<br>Non Executive Director                       | Not Applicable <sup>(c)</sup>   | Not Applicable <sup>(c)</sup>  |  |
| 12      | Mr. K. K. Maheshwari<br>Managing Director                       | 215.91  | (3.6)  | Profit before Interest, Depreciation & Tax decreased by 19% in FY 2014-15        |
| 13      | Mr. Adesh Kumar Gupta<br>Whole Time Director & CFO              | 76.37   | (12.9)   |  |
| 14      | Mr. Ashok Malu<br>Company Secretary                             | Not Applicable <sup>(d)</sup>   | Not Applicable <sup>(d)</sup>  |  |
| 15      | Mrs. Hutokshi Wadia<br>Company Secretary                        | Not Applicable <sup>(e)</sup>   | Not Applicable <sup>(e)</sup>  |  |

<sup>(a)</sup> Remuneration includes commission payable to the Directors for the year ended 31st March 2015 which is subject to the approval of the Members of the Company. Sitting fee paid to the Directors is excluded.

<sup>(b)</sup> Mr. O. P. Rungta was appointed as an Independent Director of the Company with effect from 25th September 2014 and hence, remuneration paid/payable to him is not comparable.

<sup>(c)</sup> Mr. D. D. Rathi ceased to be a Director of the Company with effect from 25th September 2014 and hence, remuneration paid/payable to him is not comparable.

<sup>(d)</sup> Mr. Ashok Malu ceased to be the Company Secretary of the Company with effect from 1st March 2015 and hence, remuneration paid to him is not comparable.

<sup>(e)</sup> Mrs. Hutokshi Wadia was appointed as the Company Secretary of the Company with effect from 1st March 2015 and hence, remuneration paid to her is not comparable.

Remuneration of KMPs listed in Sr. Nos. 12 & 13 above, includes variable pay for the year ended 31st March 2014 which was paid during the Financial year 2014-15



2. During the Financial year 2014-15, there was an increase of 12.7% over the previous financial year, in the Median remuneration of the employees. The calculation of percentage increase in the Median remuneration is based on comparable employees.
3. There were 7,381 permanent employees on the rolls of the Company as on 31st March, 2015.
4. Relationship between average increase in remuneration and Company performance:  
Profit before Interest, Depreciation and Tax for the Financial year 2014-15 at the standalone level decreased by 19% over the previous financial year, while at the consolidated level, it increased by 3.5%. The average increase in remuneration of all employees was 9.2% over the previous financial year. The average increase in remuneration was in line with the industry benchmark. The increase in salary is a function of market competitiveness in the relevant sector, as well as the Company's overall business strategy and affordability.
5. Comparison of remuneration of the Key Managerial Personnel against the performance of the Company:  
The aggregate Remuneration of Key Managerial Personnel (excluding Company Secretary, due to change during the year) was lower by 6.2% at ₹ 10.90 Crore, vis-à-vis ₹ 11.62 Crore in the previous financial year, due to the reduced profitability of the Company during the said period.
6. (i) Variations in the market capitalisation of the Company:  
The market capitalisation as on 31st March 2015 was ₹ 33,270 Crore vis-à-vis ₹ 26,506 Crore as on 31st March 2014.
- (ii) Price Earnings ratio based on Consolidated earnings of the Company was 19.1 as at 31st March 2015, as against 12.8 as at 31st March 2014.
- (iii) Percentage increase over/ decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in the year;  
Not Applicable, as the Company did not come out with any public offer in the year.
7. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2014-15, was 9.4% over the previous financial year, which is in line with industry benchmark and cost of living index. However, the average salaries of the managerial personnel for the same financial year decreased by 6.2% due to the lower performance of the Company as compared to the previous financial year.
8. The key parameters for any variable component of remuneration availed by the directors: Based on the recommendations of the Nomination and Remuneration Committee, as per the Remuneration Philosophy / Policy of the Company.
9. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:  
None of the employees has received remuneration more than the highest paid Director of the Company.
10. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.

## OVERVIEW OF THE ECONOMY

The global economy recorded a moderate growth of 3.4% in the calendar year 2014. With economic growth in China slowing down, prices of commodities, especially crude oil saw a sharp downtrend on account of oversupply and subdued demand. Economies that are net commodity importers received a boost from lower commodity prices, while net commodity exporters like Russia and Brazil, saw a slowdown in economic growth.

India's economy posted a marginal recovery with GDP (revised series) growth estimated at 7.3% in financial year 2014-15 as against 6.9% in financial year 2013-14. Lower commodity prices, especially crude oil, have benefitted India by reducing pressure on inflation, current account and fiscal deficit. This also helped in lower rupee volatility in the last one year compared to other emerging markets. Continued economic and regulatory reforms initiated by the Government and the expected pick up in domestic investment should help accelerate growth rate in FY 2015-16.

## STRATEGIC INITIATIVES

Your Company's journey to strengthen its leadership position in its respective businesses through expansions and acquisitions is progressing well:

### VSF Business Expansion

The Company fully commissioned the Greenfield project (120K TPA) at Vilayat in Gujarat, during FY 2014-15 taking the total capacity to 498K TPA. The first two lines commissioned in the first half of FY 2014-15 have already reached 72% utilisation in the 4th quarter. The remaining two lines commissioned in the 4th quarter are also being ramped up. These two lines (43K TPA) are geared to produce specialty fibre. Commissioning of the plant will enable to ramp up VSF volumes in the current year with higher share of specialty fibres.

### Merger of Aditya Birla Chemicals (India) Limited (ABCIL) with Grasim

In line with the Group philosophy to consolidate similar business in one company, your Company has initiated merger of ABCIL, another Group company. ABCIL has three manufacturing plants located at Rehla (Jharkhand), Renukoot (U.P.) and Karwar (Karnataka) with an installed capacity of ~293K TPA

of Caustic soda and a 110 MW captive Power plant. ABCIL is also in the process of completing the acquisition of 59K TPA capacity at Ganjam (Odisha) from Jayshree Chemicals.

The merger will strengthen Grasim's leadership in Chemical business taking its capacity to 804K TPA and enable the geographical diversification. With this merger, the Company with its financial strengths will be able to capitalize growth opportunities in Chemical business by bringing in operational and financial synergies.

## Ambitious growth plans in Cement Business

In the Cement business, UltraTech Cement Ltd. (UltraTech), the subsidiary of your Company continues to grow at a rapid pace both organically and inorganically as detailed below:

- The acquisition of the Gujarat units of Jaypee Cement comprising of an integrated cement plant at Sewagram and a grinding unit at Wanakbori, both in Gujarat, with a combined capacity of 4.8 Mn. TPA was completed in June 2014.
- In December 2014, UltraTech entered into an agreement to acquire two integrated Cement plants at Bela and Sidhi in the Satna cluster of Madhya Pradesh having a capacity of 4.9 Mn. TPA together with a thermal power plant of 180 MW from Jaiprakash Associates. The transaction is subject to the requisite regulatory approvals.
- A Clinkerisation plant of 2 Mn. TPA at Aditya Cement Works, Shambhupura, Rajasthan and 1.4 Mn. TPA Grinding unit at Rajashree Cement, Malkhed, Karnataka were commissioned during the year.
- The Cement grinding facility of ~6 Mn. TPA to support the Clinker capacity already commissioned at Raipur and Shambhupura is slated to go on stream in a phased manner in FY 2015-16.

Captive Thermal Power Plants of 25 MW each at Rajashree Cement and Andhra Pradesh Cement Works and Waste Heat Recovery System totaling to 22.5 MW at various plants have also been commissioned.

Post completion of the ongoing expansions and the acquisition, UltraTech's cement capacity will increase to 75 Mn. TPA.

## BUSINESS PERFORMANCE REVIEW

### Viscose Staple Fibre (VSF)

|                                  | Unit    | FY 14-15 | FY 13-14 | % Change |
|----------------------------------|---------|----------|----------|----------|
| <b>Standalone Performance</b>    |         |          |          |          |
| Installed Capacity (Year end)    | TPA     | 498,225  | 377,775  | 32       |
| Effective Capacity for the year  | TPA     | 434,205  | 375,520  | 15       |
| Production                       | Tons    | 408,332  | 361,012  | 13       |
| Sales Volumes                    | Tons    | 402,802  | 366,978  | 10       |
| Net Divisional Revenue           | ₹ Crore | 4,973.6  | 4,714.1  | 6        |
| PBIDT                            | ₹ Crore | 464.6    | 724.3    | (36)     |
| PBIDT Margin                     | %       | 9.3      | 15.2     | -        |
| <b>Consolidated Performance*</b> |         |          |          |          |
| Net Divisional Revenue           | ₹ Crore | 6,643.2  | 6,331.4  | 5        |
| PBIDT                            | ₹ Crore | 459.3    | 715.8    | (36)     |
| PBIDT Margin                     | %       | 6.3      | 11.3     | -        |

\* Including Pulp and Fibre JVs.

### Performance Review

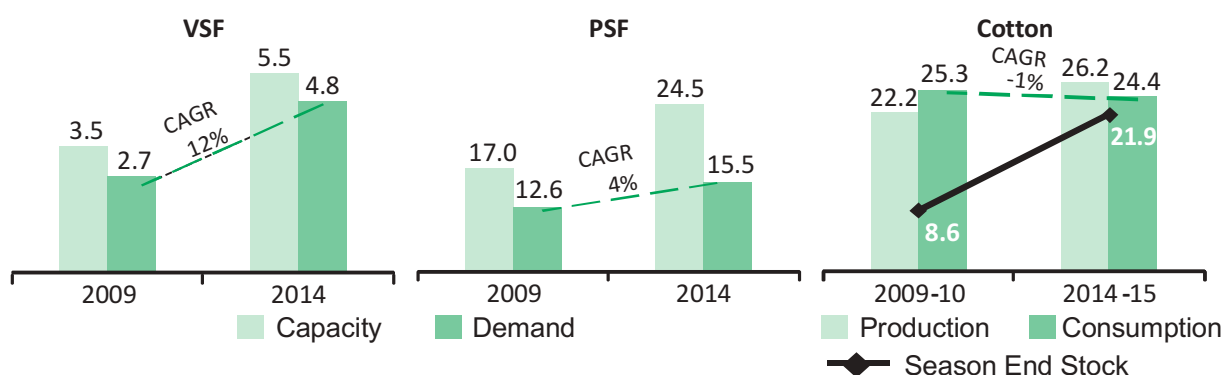
The overall Fibre consumption globally has grown at a CAGR of 5% from 2009 to 2014. During the same period, VSF has grown at a much higher pace of around 12% led by growth of Asian economies and high cotton prices in China. Asian countries - China, India, Indonesia along with Turkey are likely to continue to be the major consumers of VSF contributing ~85% of the global VSF consumption going forward.

Despite growing demand, VSF prices remained under pressure due to excessive global over capacity, especially in China and falling prices of compete fibres. During the last few years, over capacity was created at a time when VSF was growing at a rapid pace which has resulted in widening gap of the supply over demand. The Cotton prices declined due to reversal of Chinese Cotton policy and excess production. PSF prices declined as a result of fall in Crude prices. There is also a significant over supply in dissolving grade pulp due to the increase in pulp capacity leading to decline in pulp prices, putting further pressure on VSF prices.

Your Company's production and sales volume increased by 13% and 10% respectively with the commissioning of the Vilayat plant. Realisation declined by 4% in line with the international markets. Increase in the sulphur and coal prices further intensified the pressure on margins whereas decline in pulp prices provided partial relief against cost increase. The Company further intensified its efforts to improve efficiency to strengthen its competitiveness.

Your Company has also launched brand 'liva' for VSF based products intensifying the efforts for product awareness, market expansion and establishing closer connect with the end customer. Your Company has been working closely with a large number of value-chain partners, including spinners, fabricators and processors through Liva Accredited Partner Forum in areas of technical support, design development, supply chain and market development.

### VSF : Fastest Growing among Competing Fibre



The Pulp JVs achieved higher volumes supported by increase in production and reduction in inventory. Globally, dissolving grade pulp is in oversupply which led to depressed pulp realisation, the benefit of which was realised in Standalone performance. Marked to market losses on foreign currency borrowings, which have been kept unhedged due to long term natural hedge, have affected the profits.

### Sector Outlook

The combination of low prices of cotton and polyester coupled with over capacity in the VSF industry may continue to exert pressure on VSF prices in the near term and likely to affect the VSF demand growth. Specialty products such as Lyocell and Modal fibre, however, are expected to grow at higher rates.

There is no fundamental change in the VSF growth pattern helped by rising prosperity, population growth in the key consuming markets and increasing awareness about the benefits of cellulosic fibre coupled with limitations in growth of cotton production.

### Business Outlook

A continued thrust on specialty fibres, ramping up of Vilayat plant and expansion of market in India through actively working with value chain partners would be the key focus areas. Your Company's thrust is on the key R&D projects towards achieving the world benchmark quality, strengthening the cost competitive position and attaining higher environmental standards.

## Chemicals

|                                   | Unit    | FY 2014-15 | FY 2013-14 | % Change |
|-----------------------------------|---------|------------|------------|----------|
| <b>Caustic Soda</b>               |         |            |            |          |
| - Installed Capacity (Year end)   | TPA     | 452,500    | 452,500    | -        |
| - Effective Capacity for the year | TPA     | 452,500    | 351,790    | 29       |
| - Production                      | Tons    | 411,738    | 313,479    | 31       |
| - Sales Volumes                   | Tons    | 409,220    | 314,488    | 30       |
| Net Divisional Revenue            | ₹ Crore | 1,701.2    | 1,074.5    | 58       |
| PBIDT                             | ₹ Crore | 291.8      | 225.4      | 29       |
| PBIDT Margin                      | %       | 21.6       | 22.5       | -        |

### Performance Review

The chemical business reported a growth of 31% and 30% in production and sales volume respectively supported by additional volumes from the newly commissioned Vilayat Plant. The Vilayat Plant achieved around 80% capacity utilisation in FY 2014-15. The regional imbalance in Chlorine demand and increase in supply kept chlorine prices under pressure and affected ECU realisations. The operating profit is higher led by higher volumes.

The Epoxy plant is being ramped up and considerable progress has been made in customers' accreditation.

### Sector Outlook

The Caustic demand in India will be driven by the expected increase in demand from key consuming

sectors like Alumina, Fibre, Textile and Paper industries, though in immediate future, prices may be affected due to the commissioning of new capacities coupled with cheaper imports.

### Business Outlook

The Business expects to maintain high capacity utilisation, given the favorable demand outlook. The Business will continue to take energy conservation measures to reduce power consumption. Upon obtaining requisite regulatory approvals, the merger of ABCIL (w.e.f. 1st April, 2015; the Appointed Date) will further strengthen your Company's leadership in the Chlor Alkali sector. Higher captive use of Chlorine by increasing the volumes of Value Added Products should improve the profitability.

**UltraTech Cement Ltd. (Cement Subsidiary)**

|                               | Unit     | FY 2014-15 | FY 2013-14 | % Change |
|-------------------------------|----------|------------|------------|----------|
| <b>Grey Cement</b>            |          |            |            |          |
| Capacity                      | Mn. TPA  | 63.15      | 56.95      | 11       |
| Production                    | Mn. Tons | 46.71      | 43.60      | 7        |
| Sales Volumes <sup>1</sup>    | Mn. Tons |            |            |          |
| - Cement                      |          | 47.09      | 44.06      | 7        |
| - Clinker                     |          | 1.08       | 0.60       | 80       |
| <b>White Cement and Putty</b> |          |            |            |          |
| Capacity                      | Lac Tons | 13.60      | 13.60      | -        |
| Production                    | Lac Tons | 12.04      | 11.67      | 3        |
| Sales Volumes <sup>1</sup>    | Lac Tons | 12.24      | 11.41      | 7        |
| Net Divisional Revenue        | ₹ Crore  | 24,349.0   | 21,651.5   | 12       |
| PBIDT <sup>2</sup>            | ₹ Crore  | 4,775.6    | 4,357.6    | 10       |
| PBIDT Margin                  | %        | 19.3       | 19.8       |          |

<sup>1</sup> Includes captive consumption for Ready Mix Concrete and value added products.

<sup>2</sup> Includes income of UltraTech Cement related to unallocated corporate capital employed.

**Performance Review**

The Indian Cement Industry saw an overall sluggish demand resulting into surplus capacity of ~120 Mn. Tons. Additionally, the year witnessed a continuous rise in the price of input materials and logistics cost. Your Company's on-going cost optimisation measures helped in containing costs to some extent. Continuous optimisation of process and raw mix design resulted in an increase in petcoke consumption.

The domestic Cement sales volume improved by 7%, which include volume gain on account of acquired plants in Gujarat. UltraTech's domestic realisations were higher partly to pass on higher costs. The Freight costs rose by 10% given the increase in railway freight, lesser availability of rakes and changes in plant/ market mix. An increase in royalty on limestone from ₹ 63/ton to ₹ 80/ton and new levy on mining products under MMDR Act led to rise in Limestone cost. Increase in prices of major additives and freight cost has also impacted the overall landed cost at the plants. PBIDT rose by 10% at ₹ 4,776 Crore compared to ₹ 4,358 Crore last year mainly driven by higher volumes.

UltraTech has a total capex outlay of ~₹ 7,600 Crore of which, ₹ 2,725 Crore has already been incurred. Of the remaining amount, the Company plans to spend ₹ 3,500 Crore in FY 2015-16 and the remaining amount later.

**Outlook for Cement Business**

The demand for Cement is expected to improve as it is linked with GDP growth. The key drivers will be the revival of infrastructure projects supported by regulatory reforms and improvement in the demand for housing with the softening of interest rates. The pace of capacity addition has slowed down constrained by current profitability and long gestation period.

**Textiles - Grasim Bhiwani Textiles Limited (GBTL)**

GBTL, your Company's textile subsidiary, has recorded net sales of ₹ 464 Crore. The volume was maintained despite the slowdown in the Textile industry globally. Its Operating profit at ₹ 34 Crore was lower by 9%.



## FINANCIAL REVIEW AND ANALYSIS

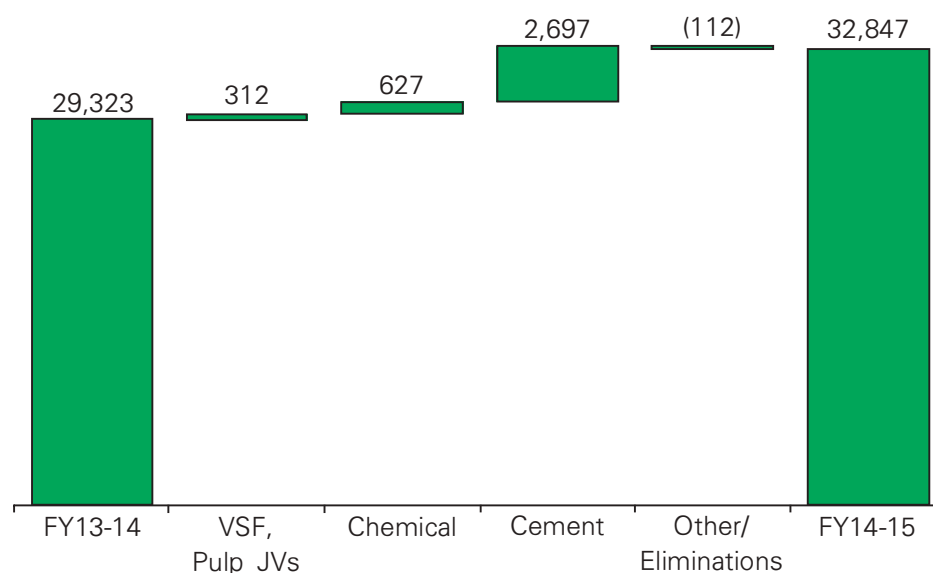
## Consolidated Financial Performance

(₹ Crore)

|   | FY 2014-15      | FY 2013-14      | % Change    |
|---|-----------------|-----------------|-------------|
| <b>Revenue from Operations (Net)</b>                        | <b>32,847.3</b> | <b>29,323.3</b> | <b>12</b>   |
| Other Income  | 539.0           | 576.3           | (6)         |
| <b>Profit before Interest, Depreciation and Tax</b>         | <b>5,683.4</b>  | <b>5,491.0</b>  | <b>4</b>    |
| Interest  | 667.4           | 447.3           | 49          |
| Depreciation  | 1,563.2         | 1,457.5         | 7           |
| <b>Profit before Tax Expenses (Before Exceptional Item)</b> | <b>3,452.8</b>  | <b>3,586.2</b>  | <b>(4)</b>  |
| Exceptional Item  | (9.5)           | -               | -           |
| <b>Profit before Tax Expenses</b>                           | <b>3,443.3</b>  | <b>3,586.2</b>  | <b>(4)</b>  |
| Tax Expenses  | 1,015.9         | 734.8           | 38          |
| <b>Profit after Tax</b>                                     | <b>2,427.4</b>  | <b>2,851.4</b>  | <b>(15)</b> |
| Less: Minority Interest                                     | 837.9           | 882.8           | (5)         |
| Add: Share in Profit of Associates                          | 154.2           | 102.9           | 50          |
| <b>Profit for the Year</b>                                  | <b>1,743.8</b>  | <b>2,071.5</b>  | <b>(16)</b> |

## Revenue from Operations

The revenue from operations increased from ₹ 29,323 Crore to ₹ 32,847 Crore, up by 12% led by volume growth in all the businesses, namely VSF, Cement and Chemical.



### Other Income

As the surplus funds were used for ongoing capex plans, Other Income declined by 6% at ₹ 539 Crore.

### Operating Profit (PBIDT)

PBIDT at ₹ 5,683 Crore is up by 4% with improved performance from Cement and Chemical businesses. Both the businesses achieved higher volumes aided by new capacities.

### Finance Cost

The finance cost increased from ₹ 447 Crore in the last year to ₹ 667 Crore, due to higher borrowings by UltraTech to fund the acquisition in Gujarat and commissioning of new projects. Interest cover (including interest capitalised) is comfortable at 6.8 times.

### Depreciation

The commissioning of projects and acquisition in Cement business and Vilayat project in VSF business resulted in gross fixed assets increasing from ₹ 34,112 Crore on 31st March, 2014 to ₹ 42,822 Crore on 31st March, 2015. Consequently, depreciation rose by 7% to ₹ 1,563 Crore. From 1st April, 2014, the depreciation has been provided as per useful life specified in the Companies Act, 2013 or as assessed by the Company, wherever the useful life estimated by the Company is different from the rate specified in the Companies Act, 2013. This has resulted in reduction of depreciation costs by ₹ 284 Crore for the year.

### Tax Expenses

Tax expenses are up by 38% at ₹ 1,016 Crore on account of:

- Increase in deferred tax liability provision for the year to ₹ 988 Crore including a one-time impact of ₹ 58 Crore on account of increase in tax surcharge from 10% to 12% in the Finance Bill, 2015. Deferred tax liability was lower at ₹ 501 Crore in the last year, due to the tax holiday for newly commissioned power plants.
- The tax charge for the last year was lower on account of reversal of income-tax provision for earlier years amounting to ₹ 125 Crore.
- Due to benefit of higher depreciation, your Company as well as its subsidiary UltraTech, is assessed under the MAT provision.

### Exceptional Item

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. Considering the present overcapacity in both pulp and fibre businesses, its strategic value has diminished and therefore the Company has provided ₹ 9.46 Crore as Exceptional Item, over its estimated enterprise value, towards diminution after considering the losses already provided in BLPP.

### Profit for the Year

Net profit for the year stood at ₹ 1,744 Crore vis-a-vis ₹ 2,072 Crore last year.

### Standalone Financial Performance

(₹ Crore)

|                               | FY<br>2014-15 | FY<br>2013-14 | %<br>Change |
|-------------------------------|---------------|---------------|-------------|
| Revenue from Operations (Net) | 6,333         | 5,604         | 13          |
| PBIDT                         | 1,013         | 1,246         | (19)        |
| PAT (Before Exceptional Item) | 556           | 896           | (38)        |
| Exceptional Item*             | 26            | -             |             |
| PAT                           | 530           | 896           | (41)        |

\* Diminution in value of investment in BLPP

Revenue rose by 13% on the back of higher volumes in both VSF and Chemical businesses. Its Standalone performance was affected due to lower operating margins in the VSF business as explained in the preceding paragraphs. Depreciation rose from ₹ 220 Crore to ₹ 263 Crore largely on account of VSF expansion at Vilayat. Tax expenses increased from ₹ 89 Crore to ₹ 155 Crore. During the year, Deferred tax included a one-time impact of ₹ 8 Crore on account of increase in tax surcharge from 10% to 12% in the Finance Bill, 2015 while in the last year, it was lower due to tax holiday for newly commissioned power plant. There was a reversal of income-tax provision for earlier years amounting to ₹ 29 Crore in the last year.

**CASH FLOW ANALYSIS (Standalone)**

(₹ in Crore)

|   | <b>FY 2014-15</b> |
|---|-------------------|
| <b>Sources of Cash</b>                                    |                   |
| Cash from Operations                                      | 581               |
| Non-Operating Cash Flow<br>(Dividend and Interest Income) | 204               |
| Net decrease in Investments                               | 290               |
| Proceeds from Equity<br>(Issue of Shares under ESOS)      | 4                 |
|   | <b>1,079</b>      |
| <b>Uses of Cash</b>                                       |                   |
| Capital Expenditure (Net)                                 | 468               |
| Increase in Working Capital                               | 132               |
| Interest  | 65                |
| Dividend  | 200               |
| Net decrease in Debts                                     | 187               |
| Increase in Cash and Cash<br>Equivalents                  | 27                |
|   | <b>1,079</b>      |
| Opening Cash and Cash Equivalents                         | <b>26</b>         |
| Closing Cash and Cash Equivalents                         | <b>53</b>         |

**Sources of Cash****Cash from Operations**

Cash generated from operations during the year was ₹ 581 Crore.

**Decrease in Investments (Net)**

Investments of ₹ 393 Crore in various mutual funds was sold to fund capital expenditure. The Company made investment in its existing joint ventures to the tune of ₹ 65 Crore.

**Uses of Cash****Capital Expenditure (Net)**

This year the Company has incurred ₹ 239 Crore on its Greenfield VSF project. The balance capex was invested in various modernisation and upgradation schemes.

**Increase in Working Capital**

With increase in operations, working capital requirement has gone up by ₹ 132 Crore. Cenvat/VAT receivables increased during the project stage which will be mostly utilised in the next year.

**Dividend**

A dividend of ₹ 21 per share amounting to ₹ 200 Crore was paid for FY 2013-14.

**Net decrease in Debt**

TUF loan (₹ 152 Crore), deferred sales tax loans (₹ 18 Crore) and short term loans (₹ 53 Crore) were repaid while new loan of ₹ 36 Crore was raised to finance the revamping of VSF plant at Nagda resulting in a net repayment of ₹ 187 Crore.

**INTERNAL CONTROL SYSTEM**

Your Company has a 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 by way of built in controls in ERP system and have been designed to provide a reasonable assurance. A reputed CA firm has also been engaged for internal audit, covering all units and business operations. The Audit Committee reviews the adequacy and effectiveness of internal control systems and provides guidance for further strengthening them. Apart from having all policies, procedures and internal audit mechanism in place, your Company also periodically engages outside experts to carry out an independent review of the effectiveness of various business processes. The observations and good practices suggested are reviewed by the Management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

**RISKS AND CONCERNS**

Risk Management is an important business aspect in the current economic environment. The objective 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 Risk Management Committees at each business unit and Corporate office for effective identification and monitoring of risks and implementation of mitigation plans. The Risk Management Committee of the Board reviews the identified risks and mitigation plans from time to time.

Risk analysis of your Company as identified by the Management, is as under:

| 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.  | <ul style="list-style-type: none"> <li>- Backward integration in the VSF business by setting up captive caustic soda and pulp plants.</li> <li>- Setting up captive power plants in all businesses</li> <li>- Multi fuel capable kilns / power plants in Cement business to optimise fuel mix.</li> <li>- Focus on value added products e.g. specialty fibre in VSF, Chlorine derivatives in Chemical business, Wall Care Putty in White Cement, etc.</li> </ul>   |
| Availability of natural resources based inputs                      | <p>Unavailability of quality coal at economic prices.</p> <p>Unavailability of limestone may impact Cement business growth plans in long term.</p> <p>Acquisition of land for expansion is a key challenge.</p>  | <ul style="list-style-type: none"> <li>- Acquisition of Captive coal mine by UltraTech Cement Ltd.</li> <li>- Entering into long term contracts, securing coal supplies at competitive prices.</li> <li>- Efforts to increase the use of alternative fuels in cement business.</li> <li>- Sufficient limestone reserves available at existing facilities.</li> <li>- Continuous efforts for securing additional limestone reserves for existing as well as future expansion.</li> <li>- Identification of land requirement and commencement of acquisition process well in advance.</li> <li>- Company's CSR activities and delivering societal value will stand it in good stead in this regard.</li> </ul> |
| Uncertain global economic environment - slow down in global economy | Impact on demand and realisation of VSF.   | <ul style="list-style-type: none"> <li>- Diversification of sales across geographies.</li> <li>- Diversification of product offering by introducing high end specialty products like Modal and Excel fibre.</li> </ul>   |
| Interest Rate Risk  | Any increase in interest rate can affect the finance cost.   | <ul style="list-style-type: none"> <li>- Judicious use of fixed and floating interest rate debts.</li> <li>- Continuous monitoring of interest rate trends.</li> <li>- Use of interest rate swaps in case of forex borrowings.</li> </ul>  |
| Foreign Exchange Risk   | Your Company exports VSF to a number of textile manufacturing countries. Pulp in VSF and coal in Cement constitute major portion of imports. Volatility in the currency exchange rates can impact profitability. | <ul style="list-style-type: none"> <li>- Hedge long term and short term foreign exchange exposure as per policy of the Company.</li> <li>- The long term foreign exchange liability is fully hedged on held to maturity basis.</li> <li>- Differential net short-term exposure (exports and imports) is suitably hedged.</li> </ul>  |
| Project Execution Risk  | Your Company undertakes large expansion projects which are exposed to risk of time and cost overrun. Any delay in project implementation impacts the revenue and profit for the delayed period.                  | <ul style="list-style-type: none"> <li>- Dedicated project implementation team to monitor project execution on a continuous basis.</li> <li>- Hiring of reputed and experienced Contractors/ other agencies.</li> <li>- Regular review of Project progress at Senior Management level.</li> </ul>  |

| Key Risk   | Impact on Grasim   | Mitigation Plans  |
|--|--|---|
| Human Resources Risk                               | Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non availability of the required talent resources can affect the performance of the Company.                                | <ul style="list-style-type: none"> <li>- Continuous benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent.</li> <li>- Regular review, monitoring and engagement on personal development plans of high performers and high potential employees</li> </ul>  |
| 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.   | <ul style="list-style-type: none"> <li>- Continuous efforts to enhance the brand image of the Company by focusing on R&amp;D, quality, cost, timely delivery and customer service.</li> </ul>   |
| Environmental and other regulatory risks           | Any default can attract penal provisions   | <ul style="list-style-type: none"> <li>- Adherence to current norms is being ensured</li> <li>- Technology / equipment upgradation is being planned pro-actively</li> </ul>   |
| 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 | <ul style="list-style-type: none"> <li>- Association with M/s DuPont Safety Resources to strengthen your Company's Safety Management System in Chemicals and Cement Businesses.</li> <li>- 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'.</li> <li>- Culture of Safety, not just for the Company's staff but also for the contract workers.</li> <li>- Adequate Insurance Coverage.</li> </ul> |

## CONCLUSION

In the VSF Business, the new plant at Vilayat with a higher share of speciality products will augment the product mix and profitability. The focus on cost optimisation will continue relentlessly. The Company has launched brand 'Iiva' and is actively working with the value chain, brands and retailers to expand the domestic market of VSF.

In the Chemical Business, the scale of operations will rise significantly post the merger of ABCIL with the Company and ramping up of the Epoxy operations.

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.

Your Company enjoys a leadership position in all its businesses: Viscose Staple Fibre, Cement and Chemicals, which has been strengthened with an investment of US\$ 4 bn. over last five years. Additional investment of US\$ 2 bn. will be made over the next two years towards merger of ABCIL with the Company and acquisition of cement assets in Madhya Pradesh, brownfield expansions, logistic infrastructure, coal mine etc. by UltraTech apart from modernisation capex. The Company is well poised to reap the benefits of these investments with ramping up of capacity utilisation and expected upturn in the business cycle led by accelerated growth in the economy.

## 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.



## The Company's Philosophy on Corporate Governance

Aditya Birla Group is committed to the adoption of best governance practices and their adherence in true spirit at all times.

Our governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and reflected in our strategic growth process. At macro level, our governance philosophy rests on five basic tenets, viz.,

- Board accountability to the Company and stakeholders
- Relentless value creation for all stakeholders
- Strategic guidance and effective monitoring by the Board
- Equitable treatment to all shareholders and protection of minority interests and rights
- Superior transparency and timely disclosure

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices.

Your Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement (Clause 49) entered into with the Stock Exchanges with regards to corporate governance.

## BOARD OF DIRECTORS

### (A) Composition of Board of Directors (the Board)

The Company has a balanced Board, comprising of Executive and Non-Executive Directors which includes independent professionals. As on 31st March 2015, your Company's Board comprises of 12 Directors, having considerable professional experience in their respective fields. Out of them, 6 are Independent Directors, 4 are Non-Executive Directors and 2 are Executive Directors. The composition of the Board is in conformity with the requirements of the Clause 49. The Executive Directors include a Managing Director and a Whole Time Director.

The details of the Directors are as under:

| Name of Director                                       | Executive / Non-Executive/ Independent | No. of Equity Shares held (As on 31st March 2015) | No. of Outside Directorships held in Indian Public Limited Companies (As on 31st March 2015) | No. of Outside Committee Positions Held in Audit/ Stakeholders' Relationship Committees of Indian Public Limited Companies (As on 31st March 2015) |          | No. of Board Meetings held during FY 2014-15 |          | Attended Last AGM held on 6th September 2014 |
|--|--|---|--|--|----------|--|----------|--|
|  |  |   |  | Member   | Chairman | Held   | Attended |  |
| Mr. Kumar Mangalam Birla                               | Non-Executive                          | 23,915*   | 8  | -  | -        | 5  | 4        | No   |
| Mrs. Rajashree Birla                                   | Non-Executive                          | 72,280  | 5  | -  | -        | 5  | 4        | No   |
| Mr. M. L. Apte   | Independent                            | 130   | 5  | 2  | 1        | 5  | 5        | Yes  |
| Mr. B. V. Bhargava                                     | Independent                            | 357   | 6  | 2  | 3        | 5  | 5        | Yes  |
| Mr. R. C. Bhargava                                     | Independent                            | 227   | 7  | 3  | 4        | 5  | 5        | No   |
| Dr. Thomas M. Connelly Jr.                             | Independent                            | 100   | -  | -  | -        | 5  | 4        | No   |
| Mr. Cyril Shroff                                       | Independent                            | 137   | -  | -  | -        | 5  | 3        | No   |
| Mr. O. P. Rungta                                       | Independent                            | 127   | -  | -  | -        | 5  | 3        | Not Applicable                               |
| Mr. Shailendra K. Jain                                 | Non-Executive                          | 12,999  | 3  | 1  | -        | 5  | 5        | Yes  |
| Mr. N. Mohan Raj (Representing equity interest of LIC) | Non-Executive (Nominee)                | 100   | -  | -  | -        | 5  | 5        | Yes  |
| Mr. D. D. Rathi  | Non-Executive                          | Not Applicable                                    |  |  |          | 5  | 2        | Yes  |
| Mr. K. K. Maheshwari                                   | Managing Director                      | 5,797   | 1  | 1  | -        | 5  | 5        | Yes  |
| Mr. Adesh Kumar Gupta                                  | Whole Time Director                    | 980   | 8  | 2  | -        | 5  | 5        | Yes  |
| Mr. Sushil Agarwal                                     | Whole Time Director                    | Not Applicable                                    |  |  |          |  |          |  |

\*Including the equity shares held by HUF

Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla are related as Son & Mother respectively.

No other Director is related to any other Director on the Board.

Mr. D. D. Rathi resigned as a Director of the Company w.e.f. 25th September 2014.

Subject to the approval of shareholders, Mr. O. P. Rungta was appointed as Additional Director and an Independent Director of the Company for a period of five consecutive years w.e.f. 25th September 2014.

Mr. Adesh Kumar Gupta ceased to be the Whole Time Director & Chief Financial Officer (CFO) and Director on the Board of the Company w.e.f. the close of business hours on 30th June 2015.

Subject to the approval of the shareholders, Mr. Sushil Agarwal was appointed as an Additional Director and Whole Time Director & CFO of the Company for a period of five years, w.e.f. 1st July 2015.

**(B) Role of Board of Directors**

Your Company's Board of Directors plays a primary role in ensuring good governance, 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 utilized in a manner so as to create sustainable growth and value for the Company's shareholders and the other stakeholders and also to fulfill the aspirations of the society and the communities in which it operates. As a part of its function, your Board periodically reviews all the relevant information which is required to be placed before it pursuant to Clause 49 and in particular, reviews and approves 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 behavior, ensures transparency in corporate dealings and compliance with the laws and regulations.

The Agenda of the Board Meeting and Notes on Agenda are circulated to the Directors, well in advance of each Board Meeting. At the Board Meeting, elaborate presentations are made.

Your Board meets at least once in a quarter to review the quarterly financial results and operations of your Company. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs and the business requirements of the Company.

During the year under review, the Board met 5 times. The details of Board Meetings held during FY 2014-15 are as under:

| Sr. No. | Date of Board Meeting | No. of Directors Present |
|---------|-----------------------|--------------------------|
| 1.      | 2nd May 2014          | 11                       |
| 2.      | 2nd August 2014       | 11                       |
| 3.      | 29th October 2014     | 11                       |
| 4.      | 31st January 2015     | 11                       |
| 5.      | 11th February 2015    | 11                       |

Your Company also uses video / tele-conferencing facilities to enable participation of your Directors in the Board / Committee Meetings.

**(C) Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company was held on 11th February 2015, without the presence of Non Independent Directors and members of the management as required under Schedule IV of the Companies Act, 2013 (the Act) and Clause 49.

**(D) 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. The Code is posted on the Company's website, [www.grasim.com](http://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.

**(E) Board Training and Induction**

A formal letter of appointment together with an induction note is given to Independent Directors at the time of their appointment detailing the terms and conditions of their appointment, expectations, roles, functions, duties and responsibilities. At the Board and Committee meetings, the Independent Directors are familiarised with your Company's business, its operations, strategy, functions, policies & procedure of the Company and its subsidiaries. They are also appraised about risk assessment and minimization procedure. Interactions are held between the Independent Directors and senior management of your Company. The details of programme for familiarization of the Independent Directors of your Company are available on the Company's website, [www.grasim.com](http://www.grasim.com).

**(F) Performance evaluation**

A formal Evaluation Framework has been approved by the Nomination and Remuneration Committee of the Board of Directors of your Company and adopted by the Board for evaluating the Board's performance, performance of its Committees and individual Directors of the Company, including the Chairman of the Board. Criteria for evaluation

of the performance include attendance and contribution at the meetings, preparedness for the meetings, effective decisions making ability, etc. 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.

### (G) Prevention of Insider Trading

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. It aims at preserving and preventing misuse of unpublished price sensitive information of the Company.

## COMMITTEES OF THE BOARD

### (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 Clause 49.

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.

#### Brief description of terms of reference

- To oversee the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- To recommend appointment, remuneration and terms of appointment of auditors and to review and monitor the auditors' independence, performance and effectiveness of audit process;
- To review the annual financial statement and auditors' report thereon;
- To consider and approve transactions of the Company with related parties or any subsequent modifications thereto;

- To scrutinize inter-corporate loans and investments;
- To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems and minimization procedures;
- To review adequacy of internal control systems and internal audit functions;
- To review 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;
- To discuss with the 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;
- To look into the reasons for substantial defaults in the payments to depositors, debentureholders, shareholders and creditors;
- To review the functioning of the Whistle Blower Mechanism;
- To approve the appointment of the Chief Financial Officer after assessing the qualifications, experience, background, etc. of the candidate.
- The Audit Committee mandatorily reviews:
  - i) Management discussion and analysis of financial condition and results of operations;
  - ii) Statement of significant related party transactions submitted by the management;
  - iii) Management letters/ letters of internal control weaknesses, if any, issued by the statutory auditors;
  - iv) Internal audit reports relating to internal control weaknesses;
  - v) Appointment, removal and terms of remuneration of the Chief Internal Auditor.

#### Composition and attendance during the year

The Audit Committee comprises of three Non-Executive - Independent Directors who are financially literate and have accounting or related financial management expertise.

The composition of the Audit Committee and the details of 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 | 6               | 6        |
| Mr. R. C. Bhargava           | Non-Executive - Independent | 6               | 6        |
| Mr. M. L. Apte               | Non-Executive - Independent | 6               | 6        |

The Managing Director and the Whole Time Director & Chief Financial Officer are permanent invitees to the Audit Committee Meetings. The Statutory as well as 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 was present at the last Annual General Meeting (AGM) of the Company held on 6th September 2014.

During the year under review, the Audit Committee Meetings were held on 2nd May 2014, 2nd August 2014, 29th October 2014, 5th January 2015, 31st January 2015 and 11th February 2015.

### Vigil Mechanism

Pursuant to Section 177(9) & (10) of the Act and the Clause 49, the Board of Directors, on the recommendation of the Audit Committee, has approved and adopted a Whistle-Blower Policy that provides a formal mechanism for Directors and employees to report genuine concerns about the unethical behavior, 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](http://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

Pursuant to the provisions of Section 178 of the Act and Clause 49, the Board of Directors has constituted the Nomination and Remuneration Committee (NRC).

#### Brief description of terms of reference

- To formulate criteria for determining the qualifications, positive attributes and independence of current and proposed directors and recommending to the Board of Directors, Policies relating to the remuneration of the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board Diversity;
- To recommend to the Board the appointment and removal of Directors and Senior Management;
- To supervise, monitor and amend Employee Stock Option Schemes of the Company from time to time, as per the provisions of applicable laws, more particularly in terms of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Board at its meeting held on 7th December 2006, had constituted to the ESOS Compensation Committee to supervise and monitor the Company's Employee Stock Option Schemes (Scheme) from time to time. This Committee met on 29th October 2014 where all the members of the Committee were present. The ESOS Compensation Committee was merged with NRC on the same day, as the roles and responsibilities of ESOS Compensation Committee could be exercised by the NRC.

### Composition and attendance during the year

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

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

| Name of the Member       | Category                    | No. of Meetings |          |
|--------------------------|-----------------------------|-----------------|----------|
|                          |                             | Held            | Attended |
| Mr. M. L. Apte           | Non-Executive - Independent | 2               | 2        |
| Mr. Cyril Shroff         | Non-Executive - Independent | 2               | 1        |
| Mr. Kumar Mangalam Birla | Non-Executive               | 2               | 2        |

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 6th September 2014.

During the year under review, the NRC Meetings were held on 29th October 2014 and 31st January 2015.

### Remuneration Policy

The Remuneration Policy formulated in accordance with Section 178(3) of the Act and Clause 49 is given in Annexure 'D' to the Board's Report.

### Remuneration of Non-Executive/ Executive 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, 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         | ₹ 25,000/-               |
| All other Committees    | ₹ 20,000/-               |

\* Revised w.e.f. 29th October 2014

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 the attendance of Directors at the Board / Committee/ Other Meetings, individual contribution at the meetings and contributions made by the Directors other than in meetings, type of the meeting and preparation required for the meeting, the amount of time spent, responsibilities under various statutes, etc. For the financial year 2014-15, the Board has approved payment of ₹ 5.40 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:

(₹ Lakh)

| Name of Director                                  | Salary, benefits, bonus, etc. paid during the year | Performance linked incentive paid during the year for FY 2013-14 | Commission*   | Sitting Fees (for Board and its Committees) |
|---|--|--|---------------|---|
| <b>Executive Directors</b>                        |  |  |               |   |
| Mr. K. K. Maheshwari (Managing Director)          | 580.35   | 225.00   | -             | -   |
| Mr. Adesh Kumar Gupta (Whole Time Director & CFO) | 235.24   | 49.62  | -             | -   |
| <b>Non-Executive/Independent Directors</b>        |  |  |               |   |
| Mr. Kumar Mangalam Birla                          | -  | -  | 450.00        | 1.85  |
| Mrs. Rajashree Birla                              | -  | -  | 31.00         | 1.60  |
| Mr. M. L. Apte                                    | -  | -  | 11.25         | 3.95  |
| Mr. B. V. Bhargava                                | -  | -  | 14.00         | 3.85  |
| Mr. R. C. Bhargava                                | -  | -  | 11.00         | 3.10  |
| Mr. Cyril Shroff                                  | -  | -  | 5.00          | 1.45  |
| Mr. N. Mohan Raj                                  | -  | -  | @2.50         | @1.90                                       |
| Dr. Thomas M. Connelly Jr.                        | -  | -  | 2.00          | 1.70  |
| Mr. O. P. Rungta                                  | -  | -  | 1.50          | 1.50  |
| Mr. Shailendra K. Jain                            | -  | -  | 10.50         | 2.10  |
| Mr. D. D. Rathi                                   | -  | -  | 1.25          | 0.50  |
| <b>Total</b>                                      | <b>815.59</b>                                      | <b>274.62</b>  | <b>540.00</b> | <b>23.50</b>                                |

\*Directors' Commission amount is exclusive of applicable Service Tax which shall be borne by the Company

@ Commission is payable to LIC and Sitting Fee is paid to Mr. N. Mohan Raj.

#### Notes:

1. 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.
2. The Company has a policy of not advancing any loans to its Directors except to the Executive Directors in the course of normal employment.
3. The term of Mr. K. K. Maheshwari as the Managing Director of the Company is upto 5th March 2017.
4. Mr. Adesh Kumar Gupta ceased to be the Whole Time Director & CFO of the Company with effect from the close of business hours on 30th June 2015.
5. The Managing Director and Whole Time Director's appointment can be terminated by three months' notice in writing on either side.
6. No severance fees are paid to the Directors of the Company.
7. The Board has approved payment of performance linked variable pay for FY 2013-14 as aforesaid to the Managing Director and Whole Time Director on achievement of the targets.
8. 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 organization's goal.



9. Details of Stock Options and Restricted Stock Units granted to the Managing Director and the Whole Time Director are set out below.

- (A) Details of Stock Options (Options) granted to the Directors under Employee Stock Option Scheme 2006 (ESOS 2006) are as under:

| Name of the Director  | Tranche 3 (Exercise Price: ₹ 1,440) |                              |                          |                                 |
|-----------------------|-------------------------------------|------------------------------|--------------------------|---------------------------------|
|                       | No. of Options Granted & Date       | No. of Options Vested & Date | Exercise Period (within) | No. of Options Exercised & Date |
| Mr. K. K. Maheshwari  | 43,932<br>(30-Aug-10)               | 10,983<br>(30-Aug-11)        | 29-Aug-16                | 10,983<br>(7-Sep-12)            |
|                       |                                     | 10,983<br>(30-Aug-12)        | 29-Aug-17                | 7,000<br>(20-Dec-13)            |
|                       |                                     | 10,983<br>(30-Aug-13)        | 29-Aug-18                | -                               |
|                       |                                     | 10,983<br>(30-Aug-14)        | 29-Aug-19                | -                               |
|                       | <b>43,932</b>                       | <b>43,932</b>                |                          | <b>17,983</b>                   |
|                       |                                     |                              |                          |                                 |
| Mr. Adesh Kumar Gupta | 6,981<br>(30-Aug-10)                | 1,745<br>(30-Aug-11)         | 29-Aug-16                | -                               |
|                       |                                     | 1,745<br>(30-Aug-12)         | 29-Aug-17                | -                               |
|                       |                                     | 1,745<br>(30-Aug-13)         | 30-Jun-18                | -                               |
|                       |                                     | 1,746<br>(30-Aug-14)         | 30-Jun-18                | -                               |
|                       | <b>6,981</b>                        | <b>6,981</b>                 |                          | -                               |

- (B) Details of Stock Options (Options) and Restricted Stock Units (RSUs) granted to the Directors under Employee Stock Option Scheme 2013 (ESOS 2013) are as under:

| Name of the Director  | Options : Tranche 1 (Exercise Price: ₹ 2,714) |   |                          |                                 | RSUs : Tranche 1 (Exercise Price: ₹ 10) |                                    |                          |                              |
|-----------------------|---|---|--------------------------|---------------------------------|---|------------------------------------|--------------------------|------------------------------|
|                       | No. of Options Granted                        | No. of Options Vested / To be Vested & Date # | Exercise Period (within) | No. of Options Exercised & Date | No. of RSUs Granted                     | No. of RSUs to be Vested & Date ## | Exercise Period (within) | No. of RSUs Exercised & Date |
| Mr. K. K. Maheshwari  | 97,400<br>(18-Oct-13)                         | 24,350<br>(18-Oct-14)                         | 17-Oct-19                | -                               | 13,333<br>(18-Oct-13)                   | 13,333<br>(18-Oct-16)              | 17-Oct-21                | -                            |
|                       |   | 24,350<br>(18-Oct-15)                         | 17-Oct-20                | -                               |   |                                    |                          |                              |
|                       |   | 24,350<br>(18-Oct-16)                         | 17-Oct-21                | -                               |   |                                    |                          |                              |
|                       |   | 24,350<br>(18-Oct-17)                         | 17-Oct-22                | -                               |   |                                    |                          |                              |
|                       | <b>97,400</b>                                 | <b>97,400</b>                                 |                          | -                               | <b>13,333</b>                           | <b>13,333</b>                      |                          | -                            |
| Mr. Adesh Kumar Gupta | 18,263<br>(18-Oct-13)                         | 4,565<br>(18-Oct-14)                          | 30-Jun-18                | -                               | 2,500                                   | 2,500<br>(18-Oct-16)               | 30-Jun-18                | -                            |
|                       |   | 4,566<br>(18-Oct-15)                          | 30-Jun-18                | -                               |   |                                    |                          |                              |
|                       |   | 4,566<br>(18-Oct-16)                          | 30-Jun-18                | -                               |   |                                    |                          |                              |
|                       |   | 4,566<br>(18-Oct-17)                          | 30-Jun-18                | -                               |   |                                    |                          |                              |
|                       | <b>18,263</b>                                 | <b>18,263</b>                                 |                          | -                               | <b>2,500</b>                            | <b>2,500</b>                       |                          | -                            |

# Subject to the performance target as determined by the Nomination & Remuneration Committee for each of the Vestings, being met

## Linked to continued employment with the Company unless otherwise determined by the Nomination & Remuneration Committee

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

**(C) Stakeholders' Relationship Committee**

Your Company has a Stakeholders' Relationship Committee of the Board of Directors to consider and resolve the grievances of security holders of the Company and to consider various issues relating to shareholders / investors.

**Brief description of terms of reference**

- To consider and resolve redressal of shareholders and investors' grievances in respect of matters relating to transfer and transmission of shares, non-receipt of dividend/ annual report, delays in dematerialisation / re-materialisation of shares, etc.;

- To review and approve the allotment of securities, approval of transfer or transmission of securities of the Company;
- To carry out any other function as may be required as per the provisions of the Act, applicable SEBI regulations and Listing Agreement, as amended from time to time.

**Composition and attendance during the year**

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

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

| Name of the Member    | Category                  | No. of Meetings |          |
|-----------------------|---------------------------|-----------------|----------|
|                       |                           | Held            | Attended |
| Mr. Cyril Shroff      | Independent               | 1               | -        |
| Mr. B. V. Bhargava    | Independent               | 1               | 1        |
| Mr. M. L. Apte        | Independent               | 1               | 1        |
| Mr. Adesh Kumar Gupta | Whole Time Director & CFO | 1               | 1        |
| Mr. Sushil Agarwal    | Whole Time Director & CFO | Not Applicable  |          |

Mr. M. L. Apte was appointed as a Member w.e.f. 29th October 2014

Mr. D. D. Rathi ceased to be a Member w.e.f. 25th September 2014

Mr. Adesh Kumar Gupta ceased to be a Member w.e.f. the close of business hours on 30th June 2015

Mr. Sushil Agarwal was appointed as a Member w.e.f. 7th August 2015

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

Mr. B. V. Bhargava, the authorised Member of the Stakeholders' Relationship Committee was present at the AGM of the Company held on 6th September 2014.

During the year under review, the Stakeholders' Relationship Committee Meeting was held on 23rd January 2015.

**Shareholders' complaints**

The details of shareholders' complaints received and redressed, number of shares transferred, time taken to process these transfers 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).

**Brief description of terms of reference**

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;
- To recommend the amount of expenditure to be incurred on the activities referred to above;
- To monitor the CSR Policy of the Company from time to time;
- To periodically review the Business Responsibility (BR) activities and the Business Responsibility Report (BRR) of the Company and to take all further actions and steps and to do all acts, deeds and things, which may be required to be done and performed from time to time in connection therewith;

- To perform such other acts, deeds, things and powers as may be delegated to the Committee by the Board from time to time.

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

| Name of the Member                | Category          | No. of Meetings |          |
|-----------------------------------|-------------------|-----------------|----------|
|                                   |                   | Held            | Attended |
| Mrs. Rajashree Birla, Chairperson | Non-Executive     | 1               | 1        |
| Mr. B.V. Bhargava                 | Independent       | 1               | 1        |
| Mr. Shailendra K. Jain            | Non-Executive     | 1               | 1        |
| Mr. K. K. Maheshwari              | Managing Director | Not Applicable  |          |

Mr. K. K. Maheshwari appointed as a member w.e.f. 31st March 2015

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, the CSR Committee meeting was held on 11th February 2015.

#### (E) Risk Management Committee

Pursuant to the provisions of the Listing Agreement and with a view to strengthen the Risk Management Framework and to continuously review and reassess the risk that the businesses of the Company are confronted with, the Company constituted a Risk Management Committee of the Board of Directors of the Company, during the year.

The Company has developed a comprehensive Risk Management Policy which was being reviewed by the Audit Committee, which in turn, informs the Board about the risk assessment and minimisation procedures. With the constitution of the Risk Management Committee, the same will be reviewed by it. Senior executives of each of the businesses / units present the risk management process and implementation of risk mitigation plans.

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

#### Composition and attendance during the year

The CSR Committee comprises of 3 Non-Executive Directors and 1 Executive Director.

#### Composition

The Risk Management Committee comprises of:

| Name of the Member    | Category                             |
|-----------------------|--------------------------------------|
| Mr. B. V. Bhargava    | Non-Executive - Independent          |
| Mr. R. C. Bhargava    | Non-Executive - Independent          |
| Mr. M. L. Apte        | Non-Executive - Independent          |
| Mr. K. K. Maheshwari* | Managing Director                    |
| Mr. Sushil Agarwal*   | Whole Time Director & CFO            |
| Mr. H. K. Agarwal*    | COO – Fibre Business                 |
| Mr. K. C. Jhanwar*    | Group Executive President - Chemical |
| Mr. Thomas Varghese*  | Business Head – Textiles             |

\* Members w.e.f. 7th August 2015

Mr. Lalit Naik, Business Head-Chemical, is a permanent invitee to the Risk Management Committee meetings.

#### (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 the Bank(s) / Financial Institution(s), upto the limits fixed by the Board;
- To authorize officers of the Company in the matter of availing 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 authorize officers of the Company for performing acts required under various laws.

### Composition and attendance during the year

The Finance Committee comprises of 2 Non Executive – Independent Directors and 1 Executive Director.

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

| Name of the Member           | Category                  | No. of Meetings |          |
|------------------------------|---------------------------|-----------------|----------|
|                              |                           | Held            | Attended |
| Mr. B. V. Bhargava, Chairman | Independent               | 4               | 4        |
| Mr. D. D. Rath               | Non-Executive             | 4               | 2        |
| Mr. M. L. Apte               | Independent               | 4               | 1        |
| Mr. Adesh Kumar Gupta        | Whole Time Director & CFO | 4               | 4        |
| Mr. Sushil Agarwal           | Whole Time Director & CFO | Not Applicable  |          |

Mr. D. D. Rath ceased to be a Member w.e.f. 25th September 2014

Mr. M L Apte appointed as a Member w.e.f. 29th October 2014

Mr. Adesh Kumar Gupta ceased to be a Member w.e.f. the close of business hours on 30th June 2015

Mr. Sushil Agarwal was appointed as a Member w.e.f. 7th August 2015

### SUBSIDIARY COMPANIES

Your Company does not have any material non-listed Indian subsidiary company as defined under Clause 49. The Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website, [www.grasim.com](http://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 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 Annual General Meetings

Details of the Annual General Meetings (AGM) 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 AGMs, as passed by the Members, are as follows:

| Financial Year/ AGM | Location                                     | Date and Time                    | Particulars of Special Resolution   |
|---------------------|--|----------------------------------|---|
| 2011-12<br>65th AGM | Birlagram<br>Nagda 456 331<br>Madhya Pradesh | 7th September 2012<br>11.30 a.m. | <ul style="list-style-type: none"> <li>Appointment and remuneration of Mr. K. K. Maheshwari as the Managing Director of the Company</li> </ul>  |
| 2012-13<br>66th AGM |  | 17th August 2013<br>11.30 a.m.   | <ul style="list-style-type: none"> <li>Introduction and implementation of the "Grasim Industries Limited Employee Stock Option Scheme – 2013"</li> <li>Extending of the benefits and coverage of the "Grasim Industries Limited Employee Stock Option Scheme – 2013", to such persons who are in permanent employment of any present and/ or future subsidiary companies of the Company in the management cadre</li> </ul>  |
| 2013-14<br>67th AGM |  | 6th September 2014<br>11.30 a.m. | <ul style="list-style-type: none"> <li>Re-appointment and remuneration of Mr. Adesh Kumar Gupta as Whole Time Director and Chief Financial Officer of the Company</li> <li>Borrowing powers under Section 180(1)(c) of the Companies Act, 2013</li> <li>Creation of mortgage, charge(s), etc., under Section 180(1)(a) of the Companies Act, 2013</li> <li>Adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013</li> </ul> |

### Postal Ballot

No special resolution has been passed in the previous year through postal ballot. No special resolution is proposed to be passed through postal ballot for the year ending review.

## 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 to the Standalone Financial Statement, forming part of the Annual Report, which sets out the related party disclosures.

### (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 requirements of the Listing Agreements entered with BSE Limited and National Stock Exchange of India Limited, 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 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 Agreement.
- (b) Your Company follows all relevant Accounting Standards while preparing the Financial Statements.

**(vi) Status of compliance of Non-mandatory requirement**

- 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.
- The Internal Auditor reports directly to the Audit Committee.
- The statutory financial statements of your Company are unqualified.
- Performance update consisting of financial and operational performance for the first six months of the financial year was uploaded on the website of the Company and similar practice will be followed for the current financial year.

## REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report forms part of the Annual Report. The Company is fully compliant with all the provisions of Clause 49.

### COMPLIANCES

- (i) Certificate from the Statutory Auditors confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 is given as Annexure 'B' to the Board's Report and forms part of the Annual Report.
- (ii) There is a separate section for General Shareholder Information which forms part of the Annual Report.
- (iii) Name and Designation of Compliance Officer: Mrs. Hutokshi Wadia, Sr. Vice President & Company Secretary.
- (iv) CEO/ CFO Certification:

The Managing Director and the Chief Financial Officer of your Company have issued the necessary certificate pursuant to the provisions of Clause 49 and the same is attached to this Report.

### MEANS OF COMMUNICATION

- Copies of the Press Release and Quarterly Presentations on Company's performance made to Institutional Investors / Analysts are hosted on the website of the Company, [www.grasim.com](http://www.grasim.com) and the Group's website, [www.adityabirla.com](http://www.adityabirla.com).
- Quarterly results:  
Results are normally published in :  

| <u>Newspaper</u>  | <u>Cities of Publication</u> |
|-------------------|------------------------------|
| Business Standard | All Editions                 |
| Nai Duniya        | Indore                       |

Results are displayed on our websites: [www.grasim.com](http://www.grasim.com) & [www.adityabirla.com](http://www.adityabirla.com)
- Disclosures pursuant to various clauses of the Listing Agreement are promptly communicated to the stock exchanges where the shares of your Company are listed, and are displayed by them on their websites.



## CODE OF CONDUCT

### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March 2015.

K. K. Maheshwari  
Managing Director

Mumbai  
2nd May, 2015

### 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 2015 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 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 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 internal control over financial reporting during the year;
  - (ii) significant changes in 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

K. K. Maheshwari  
Managing Director

Adesh Kumar Gupta  
Whole Time Director & CFO

Place : Mumbai  
Date : 2nd May 2015

## 1. Annual General Meeting

Date and Time : Saturday, 19th September 2015 at 11.30 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 Reporting for the quarter ending on : 7th August 2015  
 30th June 2015  
 Financial Reporting for the quarter / half year : October / November 2015  
 ending on 30th September 2015  
 Financial Reporting for the quarter ending on : January / February 2016  
 31st December 2015  
 Financial Reporting for the quarter / year ending : April / May 2016  
 on 31st March 2016  
 69th Annual General Meeting for the year : August / September 2016  
 ending 31st March 2016

## 3. Dates of Book Closure

: Saturday, 5th September 2015 to Saturday,  
 19th September 2015 (both days inclusive)

## 4. Dividend Payment Date

: On or after 21st September 2015

## 5. Registered Office

: Birlagram, Nagda - 456 331, Madhya Pradesh, India  
 Tel: (07366) 246760 - 246766, 256556  
 Fax: (07366) 244114/246024  
 E-mail: shares@adityabirla.com

## 6. Website

: [www.grasim.com](http://www.grasim.com) / [www.adityabirla.com](http://www.adityabirla.com)

## 7. Corporate ID Number (CIN)

: L17124MP1947PLC000410

## 8. (a) Listing on Stock Exchanges :

| Equity Shares  | Global Depository Receipts (GDRs)   |
|--|---|
| <b>BSE Limited (BSE)</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001   | <b>Luxembourg Stock Exchange (LSE)</b><br>Societe de la Bourse de Luxembourg<br>P.O. Box 165, L-2011 Luxembourg,<br>Grand Duchy of Luxembourg |
| <b>National Stock Exchange of India Limited (NSE)</b><br>Exchange Plaza, Plot No. C/1, G Block,<br>Bandra Kurla Complex, Bandra (East),<br>Mumbai – 400 051. |   |

Note: Listing Fee has been paid to all Stock Exchanges and no amount is outstanding.

## (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

**9. Stock Code:**

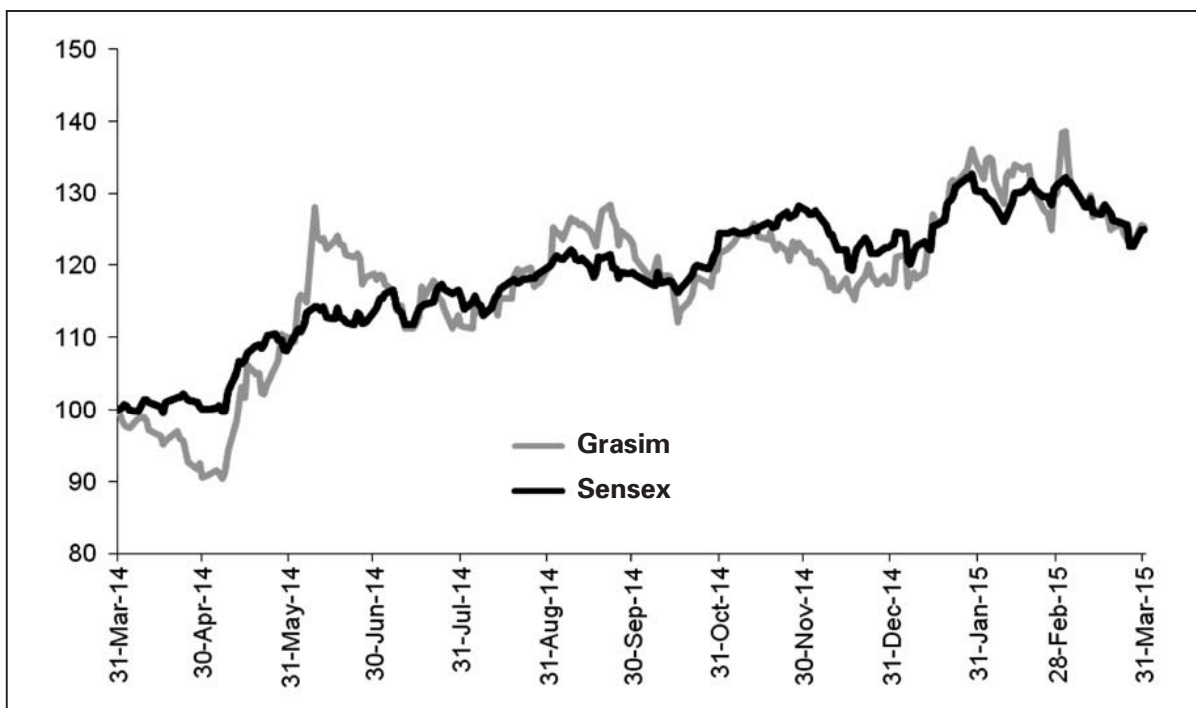
|                           | Stock Code                          | Reuters | Bloomberg  |
|---------------------------|-------------------------------------|---------|------------|
| BSE                       | 500300                              | GRAS.BO | GRASIM IN  |
| NSE                       | GRASIM                              | GRAS.NS | NGRASIM IN |
| LSE                       | –                                   | GRAS.LU | GRAS LX    |
| ISIN No. of Equity Shares | INE047A01013                        |         |            |
| ISIN No. of GDRs          | US3887061030<br>CUSIP No. 388706103 |         |            |

**10. Market Price Data:**

| Month  | BSE      |          |          |                      | NSE      |          |          |                      | LSE       |       |       |
|--------|----------|----------|----------|----------------------|----------|----------|----------|----------------------|-----------|-------|-------|
|        | High     | Low      | Close    | No. of Shares Traded | High     | Low      | Close    | No. of Shares Traded | High      | Low   | Close |
|        | (In ₹)   |          |          | (In Nos.)            | (In ₹)   |          |          | (In Nos.)            | (In US\$) |       |       |
| Apr-14 | 2,899.00 | 2,601.85 | 2,613.60 | 1,16,404             | 2,901.35 | 2,600.00 | 2,616.05 | 12,02,515            | 47.80     | 43.56 | 43.56 |
| May-14 | 3,256.95 | 2,586.00 | 3,180.25 | 2,20,374             | 3,274.75 | 2,583.10 | 3,179.25 | 21,41,967            | 54.20     | 41.02 | 53.77 |
| Jun-14 | 3,755.00 | 3,150.00 | 3,428.40 | 4,04,427             | 3,789.00 | 3,138.30 | 3,430.50 | 30,29,978            | 61.08     | 50.67 | 57.18 |
| Jul-14 | 3,460.00 | 3,190.05 | 3,220.90 | 1,68,633             | 3,464.00 | 3,188.05 | 3,214.75 | 18,35,518            | 57.70     | 50.15 | 53.19 |
| Aug-14 | 3,473.10 | 3,173.25 | 3,398.75 | 1,85,402             | 3,475.00 | 3,173.95 | 3,397.35 | 16,04,530            | 57.28     | 50.34 | 56.16 |
| Sep-14 | 3,752.00 | 3,401.05 | 3,550.00 | 1,56,670             | 3,758.00 | 3,404.00 | 3,548.40 | 18,18,912            | 62.75     | 56.78 | 57.32 |
| Oct-14 | 3,555.00 | 3,222.60 | 3,510.70 | 2,01,441             | 3,560.00 | 3,218.00 | 3,508.05 | 14,81,113            | 57.33     | 52.30 | 57.33 |
| Nov-14 | 3,660.00 | 3,450.00 | 3,554.35 | 92,892               | 3,660.00 | 3,460.00 | 3,555.70 | 10,76,199            | 59.01     | 55.93 | 57.13 |
| Dec-14 | 3,581.00 | 3,309.00 | 3,391.20 | 1,16,477             | 3,587.65 | 3,305.20 | 3,385.05 | 12,66,747            | 56.79     | 52.54 | 53.55 |
| Jan-15 | 3,968.80 | 3,341.25 | 3,882.05 | 2,24,523             | 3,975.00 | 3,341.90 | 3,884.05 | 17,66,160            | 63.95     | 47.85 | 62.28 |
| Feb-15 | 3,933.00 | 3,590.00 | 3,759.15 | 1,51,215             | 3,937.40 | 3,580.65 | 3,753.45 | 17,92,447            | 63.45     | 58.46 | 60.44 |
| Mar-15 | 4,023.60 | 3,527.75 | 3,622.15 | 1,74,360             | 4,024.85 | 3,528.65 | 3,622.35 | 16,05,560            | 64.60     | 56.00 | 58.13 |

**11. Stock Performance:**

Performance of Equity Shares Price of the Company in comparison to the BSE Sensex



**12. Stock Performance and Returns:**

Absolute Returns (In %)

| (In Percentage) | 1 Year | 3 Years | 5 Years* |
|-----------------|--------|---------|----------|
| GRASIM          | 25.43% | 37.89%  | 72.50%   |
| BSE Sensex      | 24.89% | 60.64%  | 59.50%   |
| NSE Nifty       | 26.65% | 60.34%  | 61.76%   |

Annualized Returns (In %)

| (In Percentage) | 1 Year | 3 Years | 5 Years* |
|-----------------|--------|---------|----------|
| GRASIM          | 25.43% | 11.30%  | 11.52%   |
| BSE Sensex      | 24.89% | 17.12%  | 9.79%    |
| NSE Nifty       | 26.65% | 17.04%  | 10.10%   |

\*Returns adjusted for issue of shares of Samruddhi Cement Limited against demerger of Cement Business (Source: Bloomberg)

**13. Registrar and Transfer Agents:**

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

: In-house Share Transfer

Registered with SEBI as Category II -  
Share Transfer Agent vide Registration  
No. INR 000003688

**Share Department**

Grasim Industries Limited  
Birlagram, Nagda – 456 331, Madhya Pradesh  
Tel: (07366) 246760 - 246766, 256556  
Fax: (07366) 244114/246024  
E-mail ID of Share Dept.: [shares@adityabirla.com](mailto:shares@adityabirla.com)  
E-mail ID for Investor Complaints:  
[grasimshares@adityabirla.com](mailto:grasimshares@adityabirla.com)

**With effect from 1st October 2015:****Sharepro Services (India) Private Limited**

Registrar and Transfer Agents  
13AB, Samhita Warehousing Complex, 2nd Floor  
Sakinaka Telephone Exchange Lane  
Off. Andheri-Kurla Road, Sakinaka  
Andheri (East), Mumbai 400 072  
Tel: 022 - 67720300/400, 28508924  
Fax: 022 - 28591568  
E-mail ID : [grasim@shareproservices.com](mailto:grasim@shareproservices.com)

**14. Share Transfer System:**

95% 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 lodged at the Share Department of the Company at the above address up to 30th September 2015 and thereafter at the office of Sharepro Services (India) Private Limited, Registrar and Transfer Agents.

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. The Company obtains from a Company Secretary in Practice, a half-yearly certificate of compliance as required under Clause 47(c) of the Listing Agreement with the Stock Exchanges.

| Details of Share Transfer during the Financial Year 2014-15 |                  |               |               |                    |
|---|------------------|---------------|---------------|--------------------|
| Transfer Period (in Days)                                   | No. of Transfers | No. of Shares | %             | Cumulative Total % |
| 1 - 5   | 194              | 7,646         | 33.46         | 33.46              |
| 6 -15   | 309              | 15,203        | 66.54         | 100.00             |
| <b>Total</b>  | <b>503</b>       | <b>22,849</b> | <b>100.00</b> | <b>100.00</b>      |

As on 31<sup>st</sup> March 2015, no transfer of shares 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 31<sup>st</sup> March 2015:

| Nature of Complaints (relating to)                                 | 2014-15   |           |
|--|-----------|-----------|
|  | Received  | Cleared   |
| Opening Pending Complaints   | -         | -         |
| Transfer, Transmission, Duplicate shares , Change of address, etc. | 9         | 9         |
| Annual Report  | 2         | 2         |
| Dividend   | 5         | 5         |
| <b>TOTAL</b>   | <b>16</b> | <b>16</b> |

### 16. Distribution of Shareholding as on 31<sup>st</sup> March 2015:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % Shareholding |
|---------------------------|---------------------|-------------------|--------------------|----------------|
| 1-100                     | 1,16,377            | 86.62             | 32,68,157          | 3.56           |
| 101-200                   | 9,357               | 6.97              | 13,53,463          | 1.47           |
| 201-500                   | 5,675               | 4.22              | 17,79,861          | 1.94           |
| 501-1000                  | 1,616               | 1.20              | 11,31,778          | 1.23           |
| 1001-5000                 | 909                 | 0.68              | 17,55,378          | 1.91           |
| 5001-10000                | 108                 | 0.08              | 7,71,255           | 0.84           |
| 10001 & above             | 308                 | 0.23              | 8,17,92,293        | 89.05          |
| <b>Total</b>              | <b>1,34,350</b>     | <b>100.00</b>     | <b>9,18,52,185</b> | <b>100.00</b>  |

### 17. Categories of Shareholding as on 31<sup>st</sup> March 2015:

| Category  | No. of Shareholders | % of Shareholders | No. of Shares held | % Shareholding |
|---|---------------------|-------------------|--------------------|----------------|
| Promoters and Promoter Group                          | 22                  | 0.02              | 2,34,29,468        | 25.51          |
| UTI and Mutual Funds                                  | 184                 | 0.14              | 70,12,141          | 7.64           |
| Banks, Financial Institutions and Insurance Companies | 116                 | 0.09              | 85,46,401          | 9.30           |
| FII's   | 233                 | 0.17              | 2,09,62,850        | 22.82          |
| GDRs*   | 1                   | 0.00              | 1,32,88,776        | 14.47          |
| NRIs/OCBs   | 4,103               | 3.05              | 32,13,945          | 3.50           |
| Bodies Corporate                                      | 1,467               | 1.09              | 62,77,852          | 6.83           |
| Individuals   | 1,28,224            | 95.44             | 91,20,752          | 9.93           |
| <b>Total</b>  | <b>1,34,350</b>     | <b>100.00</b>     | <b>9,18,52,185</b> | <b>100.00</b>  |

\*Includes 48,02,304 GDRs held by Promoters/Promoter Group

**18. Dematerialisation of Shares and Liquidity**

95% of the outstanding Equity (including 14.47% of capital in the form of Global Depository Receipts) has been dematerialised as on 31<sup>st</sup> March 2015. Trading in the shares of your Company is permitted only in dematerialized form.

|   |   |               |
|---|---|---------------|
| • National Securities Depository Ltd. (NSDL)      | : | 93.75%        |
| • Central Depository Services (India) Ltd. (CDSL) | : | 1.25%         |
| <b>Total</b>                                      |   | <b>95.00%</b> |

**19. Details on use of public funds obtained in the last three years** : No public funds have been obtained in the last three years.

**20. Outstanding GDRs/Warrants and Convertible Bonds** : 1,32,88,776 GDRs (Previous Year 1,32,59,243) are outstanding as on 31<sup>st</sup> March 2015. Each GDR represents one underlying equity share. There are no warrants/convertible bonds outstanding as at the year end.

**21. Secretarial Audit:**

- Pursuant to the Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates have been issued, on a half yearly basis, by a Practising Company Secretary, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in Practice carries out quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted 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.
- Pursuant to Section 204 of the Companies Act, 2013, M/s BNP & Associates, Practising Company Secretaries, have conducted a Secretarial Audit of the Company for the financial year 2014-15. The Audit Report is annexed to the Board's Report. Further, M/s BNP & Associates, Practising Company Secretaries, have been appointed as the Secretarial Auditor of the Company for the financial year 2015-16.

**22. Corporate Office and Plant Locations****Corporate Office:**

| Name                              | Address  | Phone Nos.                  | Fax Nos.                    |
|-----------------------------------|--|-----------------------------|-----------------------------|
| <b>Corporate Finance Division</b> | A-2, Aditya Birla Centre,<br>S.K. Ahire Marg, Worli,<br>Mumbai-400 030 | (022) 24995000/<br>66525000 | (022) 24995114/<br>66525114 |

**Plant Locations:****Fibre and Pulp Plants**

| Name   | Address  | Phone Nos.          | Fax Nos.                         |
|--|--|---------------------|----------------------------------|
| <b>Staple Fibre Division</b>                       | Birlagram, Nagda – 456 331,<br>Madhya Pradesh                      | (07366) 246760 - 66 | (07366) 244114/<br>246024        |
| <b>Harihar Polyfibers &amp; Grasilene Division</b> | Harihar, Dist. Haveri<br>Kumarapatnam – 581 123,<br>Karnataka      | (08373) 242171 - 75 | (08373) 242875<br>(08192) 247555 |
| <b>Birla Cellulosic Division</b>                   | Birladham, Kharach,<br>Kosamba – 394 120<br>Dist. Bharuch, Gujarat | (02646) 270001 - 05 | (02646) 270010,<br>270310        |



| Name                              | Address   | Phone Nos.    | Fax Nos. |
|-----------------------------------|---|---------------|----------|
| <b>Grasim Cellulosic Division</b> | Plot No. 1, GIDC<br>Vilayat Industrial Estate<br>P O Vilayat,<br>Taluka: Vagra,<br>District: Bharuch – 392 012<br>Gujarat | (2642) 291214 | -        |

**Chemical Plants**

| Name                            | Address  | Phone Nos.          | Fax Nos.                           |
|---------------------------------|--|---------------------|------------------------------------|
| <b>Grasim Chemical Division</b> | Birlagram – 456 331 Nagda,<br>Madhya Pradesh   | (07366) 246760 - 66 | (07366) 246176/<br>245845 / 246097 |
| <b>Grasim Chemical Division</b> | Plot No.1, GIDC Vilayat Industrial<br>Estate P O Vilayat, Taluka: Vagra,<br>District: Bharuch – 392 012<br>Gujarat | 08347008059         | -                                  |

**Epoxy Plant**

| Name                         | Address  | Phone Nos.   | Fax Nos. |
|------------------------------|--|--------------|----------|
| <b>Grasim Epoxy Division</b> | Plot No. 1, GIDC<br>Vilayat Industrial Estate<br>P O Vilayat<br>Taluka: Vagra, District:<br>Bharuch – 392 012<br>Gujarat | 02641-273206 | -        |

**Textile Plant**

| Name                   | Address  | Phone Nos.          | Fax Nos.       |
|------------------------|--|---------------------|----------------|
| <b>Vikram Woollens</b> | GH I to IV, Ghironghi<br>Malanpur – 477 117<br>Dist. Bhind, Madhya Pradesh | (07539) 283602 - 03 | (07539) 283339 |

**23. Investor Correspondence:****For Secretarial Matters and  
Investor Grievances**

- : Share Department  
Grasim Industries Limited**  
Birlagram, Nagda - 456 331 (M.P.)  
Tel: (07366) 246760-246766, 256556;  
Fax: (07366) 244114/246024  
E-mail ID of Share Dept.: shares@adityabirla.com  
E-mail ID for Investor Complaints: grasimshares@adityabirla.com

**With effect from 1<sup>st</sup> October 2015:****Sharepro Services (India) Private Limited**

Registrar & Transfer Agents (RTA)  
13AB, Samhita Warehousing Complex, 2nd Floor  
Sakinaka Telephone Exchange Lane  
Off. Andheri-Kurla Road, Sakinaka  
Andheri (East), Mumbai 400 072  
Tel: 022 - 67720300/400, 28508924  
Fax: 022 - 28591568  
E-mail ID : grasim@shareproservices.com

**Other than Secretarial Matters** : At the Corporate Office at the aforesaid address

**24. Corporate Benefits to Investors:**

| Dividend declared during the last 10 years |                     |                        |
|--|---------------------|------------------------|
| Financial Year                             | Date of declaration | Dividend per share (₹) |
| 2004-05                                    | 9th July 2005       | 16.00                  |
| 2005-06                                    | 25th August 2006    | 20.00                  |
| 2006-07 (Interim Dividend)                 | 12th March 2007     | 27.50                  |
| 2007-08                                    | 2nd August 2008     | 30.00                  |
| 2008-09                                    | 8th August 2009     | 30.00                  |
| 2009-10                                    | 20th August 2010    | 30.00                  |
| 2010-11                                    | 17th September 2011 | 20.00                  |
| 2011-12                                    | 7th September 2012  | 22.50                  |
| 2012-13                                    | 19th August 2013    | 22.50                  |
| 2013-14                                    | 6th September 2014  | 21.00                  |

**25. 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 Share Department 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 Share Department/ 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 Share Department of the Company.

Shareholders are requested to note that if the physical documents, viz., Dematerialisation Request Form (DRF), Share Certificates, etc., are not received from their concerned Depository 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 [www.grasim.com](http://www.grasim.com) or obtained from the Share Department of the Company / RTA by sending a written request through any mode including e-mail on [shares@adityabirla.com](mailto:shares@adityabirla.com) / [grasim@shareproservices.com](mailto:grasim@shareproservices.com). (w.e.f. 1st October 2015).

**Change of Address and Furnishing of Bank Details**

Shareholders holding shares in physical form should notify to the Company / 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 email 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 / RTA, while those Shareholders who hold shares in dematerialised form should provide their Bank Account details to their DP, 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 / RTA (in case the shares are held in physical form) or their DP (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 a FIR/Complaint with the police and inform to the Company / RTA along with original or certified copy of FIR/Acknowledged copy of Police Complaint along with a self-attested copy of their PAN card.

### Correspondence with the Company

Shareholders/Beneficial Owners are requested to quote their Folio No./DP and Client ID Nos., in all correspondence with the Company / RTA.

All correspondence regarding physical shares should be addressed ONLY to the Share Department of the Company at its Registered Office at Birlagram, Nagda - 456 331 (M.P.) (till 30th September 2015) and to the RTA (w.e.f. 1st October 2015) at the address mentioned above and not at any other office(s) of the Company.

Shareholders can send such correspondence, which do not require signature verification for processing, through e-mail on [shares@adityabirla.com](mailto:shares@adityabirla.com).

### 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 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, 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 2007 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 2008 or any subsequent years are requested to make their claim to the Share Department of the Company.

The details of unpaid / unclaimed dividend from 2007-08 onwards, are as under:

| Year    | Due date of Transfer |
|---------|----------------------|
| 2007-08 | 8th September 2015   |
| 2008-09 | 14th September 2016  |
| 2009-10 | 26th September 2017  |
| 2010-11 | 24th October 2018    |
| 2011-12 | 14th October 2019    |
| 2012-13 | 23rd September 2020  |
| 2013-14 | 13th October 2021    |

### Payment of Dividend 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 distribution of dividend to the shareholders.

**In case if you have still not provided your Bank details for receiving dividend in electronic mode, you are requested to please provide the following bank details by a letter signed by the sole/ 1st joint holder along with a cancelled copy of your cheque leaf –**

- ✓ Name of the Bank with its Branch & complete address;
- ✓ Bank Account Number (SB/ CC/ Current)
- ✓ 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 dematerialized form:  
*To your Depository Participant (DP) quoting reference of your DP and Client ID*
  - In case you are holding shares in physical mode, *quoting reference of your Ledger Folio No.*  
*To the Share Department of the Company (till 30th September 2015);*  
*To the RTA at the address mentioned above (w.e.f. 1st October 2015)*

so that going forward your Company can pay you all future dividends in electronic mode through NECS/ ECS.

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 dividend 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;
- ✓ Avoids dividend warrant becoming stale/ time barred;

### Unclaimed shares in Physical Form

Clause 5A(II) of the Listing Agreement 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 Clause 5A(II) of the Listing Agreement, your Company has initiated appropriate steps on unclaimed shares by transferring and dematerializing 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 Clause 5A(II) of The Listing Agreement

- Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 1st April 2014:  
2,993 shareholders holding 77,965 equity shares of the Company
- Number of shareholders who approached issuer for transfer of shares from suspense account during the year:  
17 shareholders holding 903 equity shares of the Company
- Number of shareholders to whom shares were transferred from suspense account during the year:  
17 shareholders holding 903 equity shares of the Company
- Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31st March 2015:  
2,976 shareholders holding 77,062 equity shares of the Company

The voting rights on the shares in the suspense account as on 31st March 2015 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](http://www.grasim.com) / [www.adityabirla.com](http://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 Report, etc., henceforth electronically.**

### Feed back:

Members are requested to give us their valuable suggestions for improvement of our investor services to the Share Department of the Company.

### Link for Green Initiative:

[http://www.grasim.com/investors/green\\_initiative/green\\_initiative\\_corporate\\_governance.aspx](http://www.grasim.com/investors/green_initiative/green_initiative_corporate_governance.aspx)

## 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](http://www.grasim.com)
5. **E-mail ID** : [grasim.brr@adityabirla.com](mailto:grasim.brr@adityabirla.com)
6. **Financial Year Reported** : 1st April 2014 - 31st March 2015
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 & 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 a standalone basis, the Company does not have any manufacturing Unit outside India.
  - ii. Number of National Locations : 8
10. **Markets served by the Company – Local/State/National/International** : National and International

## Section B: Financial Details of the Company

1. **Paid up Capital (INR)** : ₹ 91.87 Crore
2. **Total Turnover (INR)** : ₹ 6,252.34 Crore
3. **Total Profit After Taxes (INR)** : ₹ 5,29.90 Crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)** : ₹ 16.71 Crore (3.15% of Profit After Tax of FY 2014-15)
5. **List of activities in which expenditure in 4 above has been incurred:-**
  - a. Education
  - b. Healthcare
  - c. Environment & Livelihood
  - d. Rural Development Projects
  - e. Social Empowerment
  - f. Protection of Heritage, Art & Culture



## Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?** : Yes, the Company has 4 direct subsidiaries and its subsidiary, UltraTech Cement Limited has 9 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 Company encourages its subsidiary companies to participate in the community projects / programmes carried out under the aegis of the Aditya Birla Centre for Community Initiatives and Rural Development.
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%]** : No.

## Section D: BR Information

## 1. Details of Director/Directors responsible for BR

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

- **DIN Number** : 00017572
- **Name** : Mr. K. K. Maheshwari
- **Designation** : Managing Director

## b) Details of the BR Head

| Sr. No. | Particulars                | Details  |  |
|---------|----------------------------|--|--|
| 1.      | DIN Number (if applicable) | —  | —  |
| 2.      | Name                       | i. Dr. Prakash Maheshwari (upto 31st July 2015)<br>ii. Mr. H. K. Agarwal (w.e.f. 1st August 2015)  | Mr. K. C. Jhanwar  |
| 3.      | Designation                | i. Group Executive President, COO (India) & Head (Projects) (Pulp & Fibre Business)<br>ii. COO - Fibre Business  | Group Executive President (Chemical Business)  |
| 4.      | Telephone Number           | 022 - 67499411   | 022 - 61980401   |
| 5.      | E-mail ID                  | <a href="mailto:prakash.maheshwari@adityabirla.com">prakash.maheshwari@adityabirla.com</a><br><a href="mailto:h.k.agarwal@adityabirla.com">h.k.agarwal@adityabirla.com</a> | <a href="mailto:kailash.jhanwar@adityabirla.com">kailash.jhanwar@adityabirla.com</a> |

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

- P1** Business should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** Business should provide goods and services that are safe and contribute to sustainability throughout their life circle.
- P3** Business should promote the well-being of all employees.
- P4** Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** Business should respect and promote human rights.
- P6** Business should respect, protect and make efforts to restore the environment.
- P7** Business should act and engage in a responsible manner while influencing public and regulatory policy.
- P8** Business should support inclusive growth and equitable development.
- P9** Business should engage with and provide value to their customers and consumers in a responsible manner.

| 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 been 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 been 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  |    |    |    |    |    |    |    |    |
| 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 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 Auditors of the Company from time to time review implementation of these Policies.   |    |    |    |    |    |    |    |    |

**2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

| Sr. 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 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**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO 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.

- **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, 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](http://www.grasim.com)

**Section E: Principle-wise performance****Principle 1 – Business should conduct and govern themselves with Ethics, Transparency and Accountability.**

- 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 the organization 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.

- 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.**

In the FY 2014-15, 23 complaints were received, all of which were satisfactorily resolved.

**Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life circle.**

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities**

The Company is a responsible corporate citizen and is committed to sustainable development and looks at ways to preserve the environment and manage resources responsibly. The 3 products are Viscose Staple Fibre, Rayon Grade Pulp

and Chemicals. 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's plants in respect of the above products are ISO 14001 EMS certified. The plants at Nagda are also OHSAS-18001 and SA-8000 certified. The Harihar Plants are also OHSAS-18001 certified. The Chemical plant at Vilayat is also certified for ISO 14001 and OHSAS-18001.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?**

The Company has worked towards cost optimization, optimization of logistics, 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.

**ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company has put considerable efforts in conservation of energy and water which has resulted in reduced consumption since the previous year.

**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 Company has built up highly integrated horizontal and vertical integration processes in its operations. All the major inputs under the Company's control are sourced sustainably. The internal processes and procedures ensure adequate safety during transportation and optimization of logistics, which, in turn, help to mitigate climate change.

With respect to salt procurement which is one of the important inputs for the manufacture of caustic soda, the Company is continuously increasing the sourcing of mechanized washed salt which helps in reduction of sludge generation substantially. The Company is targeting 100% usage of mechanized washed salt in the next 2 - 3 years. The Company is continuously encouraging salt manufacturers to install mechanized salt washery to maximize washed salt production.

With respect to wood procurement, which is one of the important inputs for manufacture of pulp, the Company distributed about 23 Lakh 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 Certificate.

**4 Has the Company taken any steps to procure goods and services from local & 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 the goods and services including communities in proximity to its plant locations. It has also encouraged setting up of many ancillary units around its plants. Training and technical support is 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 3 R Principles (Reduce, Recycle & 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.

**Principle 3 – Businesses should promote the well-being of all employees**

1. Please indicate the Total number of employees (Permanent). : 7,381
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis : 6,589
3. Please indicate the Number of permanent women employees : 97
4. Please indicate the Number of permanent employees with disabilities : 21
5. Do you have an employee association that is recognized by management : Yes
6. What percentage of your permanent employees is members of this recognized employee association? : Almost, all the workers are members of recognized employees 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

| S. 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 were given safety & skill up-gradation training in the last year?

| Category of Employees                  | Safety Training* | Skill upgradation |
|--|------------------|-------------------|
| Permanent Employees                    | 100%             | 60%               |
| Permanent Women Employees              |                  |                   |
| Casual/Temporary/Contractual Employees |                  |                   |
| Employees with Disabilities            |                  |                   |

\* 100% Safety training is imparted at the time of joining

**Principle 4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the Company mapped its internal and external stakeholders? Yes/No  
Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?  
Yes, through base line surveys.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company's endeavors to bring in inclusive growth are channelized 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?**

Nil

**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.

**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-art generation technology that reduces power reduction. 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).

Please refer to the Environment Report of the Annual Report for the environmental initiatives taken. The same is also available on the Company's website [www.grasim.com](http://www.grasim.com)

**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 are also OHSAS-18001 and SA-8000 certified. The Plants at Harihar are also OHSAS-18001 certified. The Chemical plant at Vilayat is also certified for ISO14001 and OHSAS-18001.

Environment/Safety management programmes are initiated for the mitigation of identified environment aspects as well as safety hazards. Organization 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 periodically with the respective state authorities.

**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. These include adoption of energy efficient ejector system for sodium sulphate production and replacement of Centrifugal Chiller by Energy Efficient Chiller at Nagda, Oil Recycling, installation of Variable Frequency Drives, installation of solar water heater; solar lamps; Bio-gas plants; improved Bio-mass cook stoves, etc and E-Waste Recycling to authorized recyclers. The Company has installed a pilot electrolyser through ODC technology which consumes only 2/3<sup>rd</sup> of the power used by the conventional membrane technology.



Please refer to 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](http://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.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

**Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your Company/Unit 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

- Federation of Indian Chambers of Commerce and Industry.
- Associated Chambers of Commerce and Industry of India.
- Confederation of Indian Industry, Mumbai
- Association of Man-Made Fibre Industry of India.
- National Safety Council.
- The Synthetics Rayon & Textile Export Promotion Council.
- Federation of Indian Export Organization.
- Indian Merchant Chamber.
- 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 & Energy issues 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:

- Education
- Health care
- Sustainable Livelihood Development
- Infrastructure Development
- Social Change

**2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?**

The programmes/projects are undertaken through in-house teams / our foundation as well as in partnership with non-governmental organizations (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 of ₹ 16.71 Crore on CSR activities mainly on education, health care, sustainable livelihood, rural development projects, social empowerment, protection of heritage, art and culture 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 are pending as on the end of 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./N Remarks (additional information)**

The Company displays product information on the products label. The Company also has 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 end of 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 Manmade 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, 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 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.

*"Towards inclusive growth, we truly practice compassionate capitalism. Service to society, is at the very heart, of our value system. We do so with a sense of purpose. This is manifest in the various CSR projects that we run, providing the less fortunate strata of society with education, healthcare, sustainable livelihood and infrastructure support. We at the Aditya Birla Group collectively, work in 5,000 villages and reach out to 7.5 million people."*

**- Mrs. Rajashree Birla**

Chairperson, Aditya Birla Centre for  
Community Initiatives and Rural Development

Grasim's community engagement spans 108 villages and 36 urban slums. Our CSR work is in proximity to our manufacturing Units at Nagda and Malanpur in Madhya Pradesh, Kharach and Vilayat in Gujarat, Bhiwani in Haryana and Harihar in Karnataka. We reach out to a rural populace of around 2.93 Lakh.

Through our focused endeavors in healthcare, education, sustainable livelihood, infrastructure support and social causes, we work towards alleviating poverty and ringing in inclusive growth.

### **Health Care**

At your Company managed hospitals – Indubhai Parekh Memorial Hospital in Nagda and G. D. Birla Memorial Hospital at Ujjain, we treated more than 2,10,000 patients. Furthermore, we reached out to 28,455 villagers in Nagda's hinterland through our rural mobile medical van services.

At Harihar in Karnataka, we organized eye camps in which 149 patients were operated for cataract.

At the medical camps organized for the physically challenged in Harihar, 175 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 2,769 persons become self-reliant, and they have integrated into the mainstream of society.

Blood donation camps were organised at Kharach in Gujarat. We collected 76 units, which was donated to blood bank.

At several medical camps organised for ailments such as diabetics, Bone & Mass Density, dental

problems, 879 villagers were examined and treated at Kharach and Harihar. Patients whose ailments needed greater attention were referred to our hospital at Nagda. 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 organized with on the spot testing facilities. These camps were held at Nagda and Bhiwani and 3,067 persons availed the opportunity of getting tested.

### **Mother and Child Health Care**

In collaboration with the District Health Department, 97,664 children were immunized against polio and 4,251 children for diphtheria, typhoid and hepatitis-B at Nagda, Kharach, Harihar, Bhiwani, Vilayat and Malanpur.

School health check-up camps were regularly organized in the village schools at Harihar and Kharach, checking the wellness of 4,179 students.

In eye check-up camps in rural schools, 1,564 students were examined for vision clarity. Of these 235 students were found having sight problems, so they were provided with spectacles. This was at Nagda.

As part of our Reproductive and Child Health Care programmes, 3,191 women availed of the ante-

natal, post natal, mass immunization, nutrition and escort services for institutional delivery.

### Education

We enlisted 1,720 children – most of whom are first generation learners – in schools at Kharach, Vilayat, Harihar and Nagda. Merit scholarships were awarded to 101 students at Harihar.

The girl child is on our radar always. Given our linkage with the Kasturba Gandhi Balika Vidyalayas (KGBV) – residential schools for girls, we enrolled 650 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, fees, cycles and a comprehensive health check-up. We covered 4,265 children at Nagda, Harihar, Kharach, Vilayat and Bhiwani.

“Pratibha Karanji”, our talent hunt programme attracted 535 children from different schools in Harihar.



*Education of Girl Child – always on our radar*

‘Way to Success’ – our initiative to motivate higher secondary students get better results, met with a very positive response at Kharach. Full day workshops with highly qualified teachers helped students prepare for Board exams and earn high grades. Over 175 higher secondary students posted better performance, thanks to these extensive sessions.

At Kharach, a pilot project has been initiated to establish smart classes in rural middle schools. We have provided projectors and laptops to these schools to stoke the curiosity of the students and help them learn better. In this project, we have partnered with the Education Department.

We took 68 students from Grade VI to VIII from Vilayat village to the UNICEF run science museum in Dharampur at Valsad district. Our objective is to expose students to scientific developments.

At Nagda, we provided 150 sets of tables and chairs, at four rural middle schools, with a 450 student population finding the classrooms much more conducive to learning.

### Safe Drinking Water and Sanitation

Over 35,000 villagers have access to safe drinking water around our operational areas in Gujarat, Madhya Pradesh and Karnataka, largely due to the installation of 16 Reverse Osmosis Plants up until now along with water tanks.

In our endeavours towards open defecation free villages, we have facilitated the construction of 1,208 individual toilets around Nagda, Bhiwani, Vilayat, Kharach and Harihar. We leveraged the Nirmal Gram Yozna scheme. Alongside we organized awareness camps in these 17 villages to sensitize the villagers and school children on the use of sanitation facilities.

### Sustainable Livelihood

#### Agriculture

At Nagda, Harihar, Bhiwani and Vilayat, we had 1,267 farmers acclimatised with innovative cropping techniques, which was a fine learning experience. Additionally, 324 farmers were trained in advanced agriculture techniques. Both these projects were designed to promote sustainable agriculture with higher returns through better yield. We mobilised crop loans of ₹ 203.08 Lakh from banks in support of 292 farmers in Harihar.





*The new breed spawned - The outcome of our livestock improvement project*

### Animal Husbandry

The immunization of 13,413 cattle at Harihar and Nagda through animal husbandry and veterinary camps went a long way in stoking farmer prosperity.

At Nagda, our cattle breed improvement project is being implemented in collaboration with BAIF, an NGO. Under the project, two "Integrated Livestock Development Centres (ILDC)" have been established in the villages. The centre provides livestock breed improvement services to the surrounding 25 villages.

The main activities comprise of green fodder demonstration, vaccination, dry fodder enrichment, extension programs and artificial insemination services at the door-steps of the farmers. So far, 905 artificial inseminations have been completed and 152 calves of a higher breed were spawned during the year. Furthermore, over 2,048 farmers were covered in other agricultural activities, which have led to reaping a rich harvest.

Organic Farming and Vermi-composting have been encouraged with 10 Units participating in Nagda.

### Self Help Groups and Income Generation

Across Grasim, 227 Self Help Groups (SHGs) empower 2,626 households financially and socially. Most of the SHGs have been linked with the

economic schemes of NABARD and the District Industries Centre. At the various centres, 1,217 women were trained in different skills. These comprise of tailoring, crafting, handbags and purses as well as making soaps and detergent.

### Vocational Training

The Ansuya Kendra at Birla Cellulosic, Kharach and Training centres at Nagda, Bhiwani and Vilayat were started with the objective of training rural women, particularly from low income families to be self reliant. So far, they have enabled more than 2,500 women to stand on their feet, supplement the household income and in some instances, run their family.

At Nagda, these centres were linked with USHA International to provide accreditation for the three month and six month courses. Furthermore, 184 sewing machines were distributed to the beneficiaries, to help them start their business.

The SHG women members at Harihar were trained in blanket weaving, knitting, bag stitching and animal rearing. They have mobilized loans of ₹ 74.05 Lakh from Banks to start income generation activities and become self reliant.

## Infrastructure Development

The 4 dams constructed at Nagda on the River Chambal continue to benefit nearly 1,00,000 people.

Your Company has constructed / renovated Community halls, School buildings, Boundary walls, Anganwadi Centres, Panchayat Offices, Primary health Centers and Cattle Sheds around Harihar, Nagda, Kharach and Vilayat plants. Through the Jal Nirmal Programme for safe drinking water, we reached out to the villagers at Harihar.

At Bhiwani, solar street lights have brightened the villages and your Company's housing colonies, where 140 families stay.

At Harihar, we distributed 153 street light sets to 5 Gram Panchayats for street lighting.

## Social Welfare

Under the mass marriage programme this year, 137 couples in Harihar were united in wedlock.

We aided 175 persons in accessing Government Pension Funds.

## Accolade

Your Company's Staple Fibre Division, Nagda, bagged the "Amity CSR Conclave 14" Award, conducted under the aegis of the Amity Global Business School, Indore

## 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 Commission (KVIC)
- Sarva Shiksha Abhiyan
- Rotary International
- Envirofit India, Pune
- Sathi, Ujjain
- CARD, Bhopal
- Aroni Charitable Trust, Mumbai

## Our Investments

For the year 2014-15, Grasim's CSR spend was ₹16.71 Crore. In addition, we mobilized ₹ 16 Crore through the 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 2,30,000 people through health care interventions; 8,065 through education; 10,182 through sustainable livelihood; 104,000 through rural infrastructure and 312 people through social causes. Given the magnitude of the issue, much more needs to be done, avers Mrs. Rajashree Birla.



## Beyond Business

### The Aditya Birla Group is:

- Working in 5,000 villages globally. Reaching out to 7.5 million people annually through the Aditya Birla Centre for Community Initiatives and Rural Development, spearheaded by Mrs. Rajashree Birla.
- Focusing on Health Care, Education, the Girl Child, Sustainable Livelihood, Women Empowerment Projects, Infrastructure and espousing social causes.

### Highlights:

#### Health-care

- Over a million patients treated at 4,500 Medical Camps at our 18 hospitals.
- At the Aditya Birla Memorial Hospital in Pune, 10% of the beds are for the underprivileged communities.
- The Aditya Birla Hospital at Veraval in Gujarat, also caters to the marginalised.
- More than 1,200 children have learnt to smile again as they underwent cleft lip surgery.
- We have helped immunise 22 million children against polio over the last 5 years. We are now working with Rotary International and the Government's Health Department to ensure the non-resurgence of polio.
- In our endeavours towards open defecation-free villages, we have helped set up over 8,000 toilets, partly leveraging Government schemes for the social sector.

#### Education

- At our 42 Schools across India, we provide quality education to 45,000 children. Of these, 18,000 students belong to the underprivileged segment and are first generation learners. On the anvil are 4 more schools. Merit Scholarships are given to 24,000 children from the interiors. Over 28,000 children in the hinterland of India are being taught conversational English to build their confidence.
- Over 2.5 lakh school children (Grade V to XII) in 18 remote areas of Madhya Pradesh and Rajasthan are being provided with solar lamps.

- We have set up the midday meal kitchen in the Keonjhar district of Odisha, facilitating the provision of midday meals to 268 schools, along with the transport facilities. Going forward in 2015-16, we will be sponsoring midday meals of 50,201 children across 200 schools, spanning Lucknow, Jaipur and Ahmedabad.

### Sustainable Livelihood

- Our Vocational Training Centres and the Aditya Birla Rural Technology Park accord training in sustainable livelihood projects to 80,000 people.
- Our 4,500 Self-Help Groups have led to the empowerment of 45,000 women.
- Working closely with Habitat for Humanity, we have so far built more than 500 houses as part of our community outreach programme, besides supporting the building of an additional 3,800 houses across India.

### Model Villages

- We are also engaged in creating model villages in rural India. We have chosen 300 villages for this transformation - whereby in a five year timeframe, the villages would be self-reliant in every aspect, moving out of the "below the poverty line" status. So far, more than 90 villages in India's hinterland have already reached the level of model villages.

### At the macro level

- To embed CSR as a way of life in organizations, we have set up the FICCI - Aditya Birla CSR Centre for Excellence, in Delhi.
- In line with our commitment to sustainable development, we have partnered the Columbia University in establishing the Columbia Global Centre's Earth Institute in Mumbai.
- Ongoing education, healthcare and sustainable livelihood projects in Philippines, Thailand, Indonesia, Egypt, Korea and Brazil, lift thousands of people out of poverty.

We transcend the conventional boundaries of business, because we care.

*"The major attributes of our operations at Grasim and its ongoing journey of success revolve around people, environment, safety and inclusive growth. Few organisations can boast of the calibre of people as we have at Grasim. Environmental practices far beyond compliance have been an integral part of our philosophy.*

*At Grasim, various sustainability initiatives include energy optimisation, water conservation, social forestry, recycling of waste material as well as safety. We have instituted a governance structure to monitor various sustainability aspects of our operations.*

*As a Group, we endeavour to become the leading Indian conglomerate for sustainable business practices across our global operations by 2017, given our synergising growth with responsibility".*

**– Kumar Mangalam Birla**  
Chairman, Aditya Birla Group

Your Company continues to invest in modern technology to better its environmental footprint and energy consumption. Your Company's operations are based on the eco-friendly membrane cell technology for production of Caustic Soda.

A modern 90 tons per day gas based Carbon disulphide plant has been commissioned at our Cellulosic plant in Vilayat. This plant has technology for the recovery of SO<sub>2</sub> from carbon disulphide emission from the main Rayon plant.

At Nagda, your Company has pioneered the recovery of Carbon disulphide from Spin off Gases based on absorption and desorption technology. This innovative technology is being tried for the first time in the world in the Viscose Staple Fibre Industry.

All our plants are certified for ISO 14001 Environment Management System. Our Grasilene plant at Harihar received the Oeko-Tex Certificate for Eco-labeling of Fibre from British Technology Group. Grey Fibre, Dyed Fibre, Dull Fibre, Modal Fibre and Excel Fibre produced by our plant are certified by British Technology Group, UK as free from Harmful substances.

## Energy

Energy intensity reduction has been a focus area in all the Units of your Company. Some of the initiatives include pump capacity optimization in Centrifugal Chiller condenser and replacement of Anhydrous plant condenser pumps with Energy efficient pumps.

In Harihar, at our Pulp Division, fossil fuel consumption has been improved by enhancing the usage of biogas in Lime Kiln by optimizing the operating parameters. During the year, the use of Furnace Oil stood reduced by 45% as compared to the previous year.

## Water

Water Conservation has been a major thrust area. All the Units of your Company have initiated measures to reduce water intensity. A Reverse Osmosis Plant for recycling of MSFE vapour condensate has been commissioned. This has resulted in saving of 2500 M<sup>3</sup>/Day water in our Cellulosic Plant. Other initiatives such as use of scrubber water, back water



recycling for water treatment plant have helped in lowering the specific water consumption for VSF by nearly 4% from 51.2 M3 / Ton to 48.7 M3 / Ton as compared to the previous year.

At Birla Cellulosic, Kharach, we have constructed a 50 M3 per day pilot plant for treating industrial effluents using an environment friendly technology. This plant has lower Biological oxygen demand compared to the conventional process.

Treated Effluent is being used for irrigation in the fields. The Main Plant Treated Effluent and Domestic Treated Sewage are being utilized for process applications such as "Make Up" water in Auxiliary Cooling Towers.

### **Waste**

The entire quantity of 18,580 MT of Chemical Gypsum from our Cellulosic Unit in Kharach is given to Cement Plants as raw material feed in cement manufacturing. Our Kharach Unit is installing a zinc

recovery plant to recover zinc from sump zone and wash stream. Fly ash, generated from the power plant is fully utilized for brick manufacturing in the surrounding area.

By recouring to high purity salt, our Chemical division has been able to pare the sludge generation.

### **Green Belt Development**

Tree plantation at all its units and mines is an ongoing activity to heighten the green cover in and around our facility. During the year, 32,500 saplings were planted. The survival rate was more than 75%.

Our Kharach Plant has planted mangroves in 100 HA at the Bhavnagar coast two years ago. Through our conservation efforts, the survival rate is more than 75%, which is indeed heartening.

Your Management is committed to synergizing growth with responsibility.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRASIM INDUSTRIES LIMITED****Report on the Financial Statements**

We have audited the accompanying Standalone financial statements of **GRASIM INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement and a summary of the significant accounting policies and other explanatory information for the year then ended, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at Malanpur.

**Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

## Other Matter

We did not audit the financial statements of one branch included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 45.35 crores as at March 31, 2015 and total revenues of ₹ 82.44 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The reports on the accounts of the branch of the Company, at Malanpur, audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
  - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (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 financial statements – Refer Notes 4.1.1 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

For **G. P. KAPADIA & CO.**  
Chartered Accountants  
(Firm Registration No. 104768W)

**Saira Nainar**  
Partner  
Membership No.: 40081  
Mumbai, 2nd May, 2015

**Atul B. Desai**  
Partner  
Membership No.: 30850



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT****(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of GRASIM INDUSTRIES LIMITED for the year ended March 31, 2015)**

Having regard to the nature of the Company's business/ activities/ results during the year, clause (viii) regarding accumulated losses and cash loss incurred by the Company of paragraph 3 of the Order is not applicable to the Company.

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The fixed assets of were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except stocks lying with third parties, for which confirmations have been obtained from those parties;
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business;
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.



- (c) Details of dues of Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

| Name of the Statute                 | Nature of the Dues                 | Forum Where Dispute is Pending | Period to which the amount relates | Amount (₹ in crores) |
|-------------------------------------|------------------------------------|--------------------------------|------------------------------------|----------------------|
| Income Tax Act, 1961                | Income Tax and Interest            | Appellate Authorities          | 2007-2015                          | 128.65               |
| Sales Tax / Value Added Tax Act     | Sales Tax and Interest             | High Court                     | 2008-2009                          | 0.01                 |
|                                     |                                    | Appellate Authorities          | 2008-2014                          | 0.42                 |
|                                     |                                    | Assessing Authority            | 2010-2011                          | 0.02                 |
| Central Excise Act                  | Excise Duty, Penalty and Interest  | High Court                     | 1999-2001                          | 1.78                 |
|                                     |                                    | Appellate Authority            | 2005-2015                          | 125.85               |
| Customs Act, 1962                   | Customs Duty, Penalty and Interest | Appellate Authority            | 2012-2015                          | 9.00                 |
|                                     |                                    | Assessing Authority            | 2004-2006                          | 1.00                 |
| Entry Tax Act                       | Entry Tax                          | High Court                     | 2004-2015                          | 10.44                |
|                                     |                                    | Appellate Authority            | 2007-2012                          | 0.88                 |
| Service Tax under Finance Act, 1994 | Service Tax                        | High Court                     | 2009-2010                          | 0.01                 |
|                                     |                                    | Appellate Authority            | 2006-2012                          | 1.08                 |
| Cess / Duty under various Acts      | Cess / Duty                        | High Court                     | 1988-1989                          | 0.49                 |
|                                     |                                    | Appellate Authority            | 1978-1980                          | 0.10                 |

- (d) The company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (ix) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year nor have we been informed of such case by the management.

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

**Saira Nainar**  
Partner  
Membership No.: 40081  
Mumbai, 2nd May, 2015

For **G. P. KAPADIA & CO.**  
Chartered Accountants  
(Firm Registration No. 104768W)

**Atul B. Desai**  
Partner  
Membership No.: 30850

## BALANCE SHEET AS AT 31st MARCH, 2015

|                                | Note No. | As at 31st March, 2015 | ₹ in Crore<br>As at 31st March, 2014 |
|--------------------------------|----------|------------------------|--------------------------------------|
| <b>EQUITY AND LIABILITIES</b>  |          |                        |                                      |
| <b>Shareholders' Funds</b>     |          |                        |                                      |
| Share Capital                  | 2.1      | 91.87                  | 91.84                                |
| Reserves and Surplus           | 2.2      | 11,091.05              | 10,735.74                            |
|                                |          | <b>11,182.92</b>       | 10,827.58                            |
| <b>Non-Current Liabilities</b> |          |                        |                                      |
| Long-Term Borrowings           | 2.3      | 856.54                 | 1,004.38                             |
| Deferred Tax Liabilities (Net) | 2.4      | 614.51                 | 462.00                               |
| Other Long-Term Liabilities    | 2.5      | 20.98                  | 14.66                                |
| Long-Term Provisions           | 2.6      | 67.63                  | 42.31                                |
|                                |          | <b>1,559.66</b>        | 1,523.35                             |
| <b>Current Liabilities</b>     |          |                        |                                      |
| Short-Term Borrowings          | 2.7      | 74.20                  | 127.16                               |
| Trade Payables                 | 2.8      | 628.93                 | 451.39                               |
| Other Current Liabilities      | 2.9      | 485.71                 | 481.98                               |
| Short-Term Provisions          | 2.10     | 435.79                 | 466.19                               |
|                                |          | <b>1,624.63</b>        | 1,526.72                             |
| <b>TOTAL</b>                   |          | <b>14,367.21</b>       | 13,877.65                            |
| <b>ASSETS</b>                  |          |                        |                                      |
| <b>Non-Current Assets</b>      |          |                        |                                      |
| Fixed Assets                   | 2.11     |                        |                                      |
| Tangible Assets                |          | 5,181.90               | 3,545.66                             |
| Intangible Assets              |          | 5.64                   | 2.08                                 |
| Capital Work-in-Progress       |          | 450.36                 | 1,807.45                             |
|                                |          | <b>5,637.90</b>        | 5,355.19                             |
| Non-Current Investments        | 2.12     | 4,486.14               | 4,420.10                             |
| Long-Term Loans and Advances   | 2.13     | 526.05                 | 478.60                               |
|                                |          | <b>10,650.09</b>       | 10,253.89                            |
| <b>Current Assets</b>          |          |                        |                                      |
| Current Investments            | 2.14     | 864.20                 | 1,183.54                             |
| Inventories                    | 2.15     | 1,433.15               | 1,212.27                             |
| Trade Receivables              | 2.16     | 687.49                 | 613.79                               |
| Cash and Cash equivalents      | 2.17     | 53.19                  | 26.30                                |
| Short-Term Loans and Advances  | 2.18     | 642.96                 | 551.49                               |
| Other Current Assets           | 2.19     | 36.13                  | 36.37                                |
|                                |          | <b>3,717.12</b>        | 3,623.76                             |
| <b>TOTAL</b>                   |          | <b>14,367.21</b>       | 13,877.65                            |

Significant Accounting Policies 1  
The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

For G. P. KAPADIA & CO.  
Chartered Accountants

For GRASIM INDUSTRIES LIMITED

K. K. Maheshwari  
Managing Director

B. V. Bhargava  
M. L. Apte  
Directors

Saira Nainar  
Partner

Atul B. Desai  
Partner

Adesh Gupta  
Whole-time Director & CFO

Mumbai  
Dated: 2nd May, 2015

Hutokshi Wadia  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

|   |         |  | ₹ in Crore                                  |
|---|---------|--|---|
|   | Note No | Year ended 31st March, 2015 (Current Year) | Year ended 31st March, 2014 (Previous Year) |
| <b>REVENUE FROM OPERATIONS</b>  |         |  |   |
| Sale of Products and Services (Gross)   | 3.1     | 6,819.15                                   | 6,035.18                                    |
| Other Operating Revenues  | 3.2     | 80.24                                      | 64.89                                       |
|   |         | 6,899.39                                   | 6,100.07                                    |
| Less: Excise Duty   |         | 566.81                                     | 496.57                                      |
| <b>Revenue from Operations (Net)</b>  |         | <b>6,332.58</b>                            | 5,603.50                                    |
| Other Income  | 3.3     | 348.07                                     | 384.79                                      |
| <b>Total Revenue (I)</b>  |         | <b>6,680.65</b>                            | 5,988.29                                    |
| <b>EXPENSES</b>   |         |  |   |
| Cost of Materials Consumed  | 3.4     | 3,622.33                                   | 2,982.61                                    |
| Purchases of Stock-in-Trade   | 3.5     | 21.10                                      | 6.80  |
| Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade               | 3.6     | (65.04)                                    | 4.05  |
| Employee Benefits Expense   | 3.7     | 482.25                                     | 378.80                                      |
| Power and Fuel  |         | 1,040.62                                   | 814.58                                      |
| Freight and Handling Expense  |         | 106.65                                     | 94.32                                       |
| Other Expenses  | 3.8     | 499.82                                     | 480.92                                      |
|   |         | 5,707.73                                   | 4,762.08                                    |
| Less: Captive Consumption [Net of Excise Duty of ₹ 0.19 Crore (Previous Year ₹ 0.79 Crore)] |         | 40.12                                      | 19.91                                       |
| <b>Total Expenses (II)</b>  |         | <b>5,667.61</b>                            | 4,742.17                                    |
| <b>Profit Before Interest, Depreciation/Amortisation and Tax (PBITD) (I) - (II)</b>         |         | <b>1,013.04</b>                            | 1,246.12                                    |
| Finance Costs   | 3.9     | 39.33                                      | 41.52                                       |
| Depreciation and Amortisation Expense   | 2.11.5  | 262.55                                     | 219.61                                      |
| <b>Profit Before Exceptional Item and Tax</b>   |         | <b>711.16</b>                              | 984.99                                      |
| Exceptional Item  | 2.12.6  | (26.24)                                    | -   |
| <b>Profit Before Tax</b>  |         | <b>684.92</b>                              | 984.99                                      |
| Tax Expense   |         |  |   |
| Current Tax   |         | 109.66                                     | 166.51                                      |
| MAT Credit  |         | (109.66)                                   | (166.51)                                    |
| Provision for Tax of Earlier Years Written Back   |         | (2.38)                                     | (29.09)                                     |
| Deferred Tax  |         | 157.40                                     | 118.09                                      |
| <b>Total Tax Expense</b>  |         | <b>155.02</b>                              | 89.00                                       |
| <b>Profit For The Year</b>  |         | <b>529.90</b>                              | 895.99                                      |
| <b>Earnings Per Equity Share (Face Value ₹ 10 each)</b>                                     | 3.12    |  |   |
| Basic (₹)   |         | 57.69                                      | 97.58                                       |
| Diluted (₹)   |         | 57.63                                      | 97.54                                       |
| Significant Accounting Policies   | 1       |  |   |
| The accompanying Notes are an integral part of the Financial Statements                     |         |  |   |

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered AccountantsFor G. P. KAPADIA & CO.  
Chartered Accountants

For GRASIM INDUSTRIES LIMITED

K. K. Maheshwari  
Managing DirectorB. V. Bhargava  
M. L. Apte  
DirectorsSaira Nainar  
PartnerAtul B. Desai  
PartnerAdesh Gupta  
Whole-time Director & CFOMumbai  
Dated: 2nd May, 2015Hutokshi Wadia  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Crore

|   | Current Year  | Previous Year |
|---|---------------|---------------|
| <b>A. Cash Flow from Operating Activities</b>                                 |               |               |
| a. Profit Before Tax  | 684.92        | 984.99        |
| <u>Adjustments for:</u>   |               |               |
| Depreciation and Amortisation   | 262.55        | 219.61        |
| Finance Costs   | 39.33         | 41.52         |
| Interest Income   | (21.33)       | (22.70)       |
| Dividend Income   | (182.66)      | (185.60)      |
| Provision for Bad and Doubtful Debts (Net)                                    | 1.17          | 0.12          |
| Provision for Diminution in Value of Long-Term Investments (Note 2.12.6)      | 26.24         | -             |
| Employee Compensation Expenses under Employee Stock Option Scheme (Note 3.7)  | 2.75          | 1.36          |
| (Profit)/Loss on Sale of Fixed Assets (Net)                                   | (1.75)        | 0.09          |
| Profit on sale of Investment (Net)  | (100.40)      | (103.83)      |
| b. Operating profit Before Working Capital Changes                            | 710.82        | 935.56        |
| <u>Adjustments for:</u>   |               |               |
| Trade and Other Receivables   | (110.33)      | (267.35)      |
| Inventories   | (220.88)      | (422.93)      |
| Trade and Other Payables  | 199.39        | 4.80          |
| c. Cash Generated from Operations   | 579.00        | 250.08        |
| Direct Taxes Paid (Net)   | (129.36)      | (187.80)      |
| <b>Net Cash from Operating Activities</b>                                     | <b>449.64</b> | <b>62.28</b>  |
| <b>B. Cash Flow from Investing Activities</b>                                 |               |               |
| Purchase of Fixed Assets (including Capital Advances)                         | (475.12)      | (911.76)      |
| Sale of Fixed Assets  | 6.63          | 2.47          |
| Investment in Joint ventures and Associates                                   | (65.39)       | (54.23)       |
| Sale/(Purchase) of Mutual Fund Units, Bonds and Certificate of Deposits (Net) | 392.84        | 778.85        |
| Loans and Advances to Subsidiaries, Joint Ventures and Associates             | (7.44)        | 5.00          |
| Inter-Corporate Deposits  | (30.00)       | 194.00        |
| Interest Received   | 21.29         | 21.56         |
| Dividend Received   | 182.66        | 185.60        |
| <b>Net Cash from/(Used in) Investing Activities</b>                           | <b>25.47</b>  | <b>221.49</b> |

₹ in Crore

|  | Current<br>Year | Previous<br>Year |
|--|-----------------|------------------|
| <b>C. Cash Flow from Financing Activities</b>                  |                 |                  |
| Proceeds from Issue of Share Capital under ESOS (Net)          | <b>4.08</b>     | 8.05             |
| Proceeds from Long-Term Borrowings                             | <b>36.39</b>    | 194.00           |
| Repayments of Long-Term Borrowings                             | <b>(170.54)</b> | (123.52)         |
| Proceeds/(Repayment) of Short - Term Borrowings (Net)          | <b>(52.96)</b>  | (52.42)          |
| Interest Paid (Net of Interest Subsidy)                        | <b>(64.80)</b>  | (83.80)          |
| Dividend Paid  | <b>(192.91)</b> | (206.24)         |
| Corporate Dividend Tax Paid                                    | <b>(7.48)</b>   | (9.81)           |
| <b>Net Cash (Used in) / From Financing Activities</b>          | <b>(448.22)</b> | (273.74)         |
| <b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b> | <b>26.89</b>    | 10.03            |
| <b>Cash and Cash Equivalents at the Beginning of the Year</b>  | <b>26.30</b>    | 16.27            |
| <b>Cash and Cash Equivalents at the End of the Year</b>        | <b>53.19</b>    | 26.30            |
| (Cash and Cash Equivalents represent Cash and Bank Balances)   |                 |                  |

**Notes:**

- (i) Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3.
- (ii) Cash and Cash Equivalents include ₹ 10.49 Crore (Previous Year ₹ 10.48 Crore) which are statutorily and contractually restricted accounts.
- (iii) Previous year figures have been regrouped/recasted, wherever necessary.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered AccountantsFor G. P. KAPADIA & CO.  
Chartered Accountants

For GRASIM INDUSTRIES LIMITED

K. K. Maheshwari  
Managing DirectorB. V. Bhargava  
M. L. Apte  
DirectorsSaira Nainar  
PartnerAtul B. Desai  
PartnerAdesh Gupta  
Whole-time Director & CFOMumbai  
Dated: 2nd May, 2015Hutokshi Wadia  
Company Secretary

## GENERAL INFORMATION

Grasim Industries Limited (the "Company") is engaged primarily in two businesses, Viscose Staple Fibre (VSF) and in Cement, through its subsidiary UltraTech Cement Limited. It also produces Rayon Grade Pulp, Caustic Soda 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 Basis of Preparation:

The financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) in India under historical cost convention on accrual basis and comply in all material aspects with the Accounting Standards (AS) and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013 as applicable, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India (ICAI) and of the Securities and Exchange Board of India (SEBI).

#### 1.2 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 to the Companies Act, 2013. Based on the nature of products and the time 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 for the purpose of classification of assets and liabilities as current and non-current.

#### 1.3 Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amount 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, the actual outcome may be different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise.

#### 1.4 Government Grants:

Any government grant is recognised when there is reasonable assurance of its receipt. A capital grant relating to specific assets is reduced from the gross value of the fixed assets, and capital grant for Project Capital Subsidy is credited to Capital Reserve. Revenue grant is recognised in the Statement of Profit and Loss.

#### 1.5 General Reserve:

General Reserve, a free reserve, 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.

#### 1.6 Fixed Assets:

Fixed assets (Tangible and Intangible) are stated at cost, less accumulated depreciation/amortisation. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use. Fixed assets, retired from active use and held for sale, are stated at lower of their net book value and net realisable value, and are disclosed separately in the financial statements under Current Assets.

Spares which can be used only in connection with a particular Plant and Equipment of the Company and use is expected to be irregular, are capitalised at cost.

Gains/losses arising from retirement or disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

#### 1.7 Treatment of Expenditure during Construction Period:

Expenditure net of income earned during construction period is included under capital work-in-progress and the same is allocated to the respective fixed assets on the completion of construction.

#### 1.8 Impairment of Assets:

Carrying amount of assets is reviewed at the Balance Sheet date to ascertain if there is any indication of impairment based on the internal and external factors. The assets are treated as impaired when the carrying amount of the asset exceeds its recoverable amount.

An impairment loss, if any, is charged to the Statement of Profit and Loss as and when it arises. Impairment loss recognised in prior years is reversed when there is an indication that impairment loss recognised for the asset no longer exists or may have decreased.



**1.9 Investments:**

Long-term investments are stated at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments. Such reduction is determined and made for each investment individually.

Current investments, except current maturities of Long-term investments, are stated at lower of cost and fair value determined for each category of investments.

**1.10 Inventories:**

Inventories are valued at the lower of cost and net realisable value. The cost is computed on weighted-average basis. In case of sale of raw material/stores, the proceeds are credited to their respective heads.

Cost of finished goods and process stock include cost of conversion, 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.

**1.11 Financial Derivatives:**

Derivative instrument are used to hedge risk associated with foreign currency fluctuations, interest rates and commodity prices. The derivative contracts are closely linked with underlying transactions and are intended to be held till maturity. The Company does not enter into any derivative contracts for speculations or trading purposes.

With effect from current year, the Company has adopted AS 30 – “Financial Instrument – Recognition and Measurement”, to the extent that adoption did not conflict with existing accounting standards and other regulatory requirements. Accordingly the Company test each contract which are entered on the basis of highly probable forecast transaction and decide whether to designate the same as an underlying for the effective hedge relationship.

To designate a forward or options contract as an effective hedging instrument, the management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk.

The gain or losses on designated hedging contract that qualify as an effective hedge is recorded in the hedging reserve account until the transactions are completed. Upon completion or cessation of hedging relationship as an effective, net cumulative gain / losses are transferred to Statement of Profit & Loss. The gain or losses on designated hedging contracts which are considered as ineffective hedge transactions are charged to the Statement of Profit and Loss.

Forward exchange contracts which are not designated for hedge accounting are marked to market and losses, if any, are charged to Profit and Loss while gains are ignored in accordance with the announcement by the Institute of Chartered Accountants of India on ‘Accounting for Derivatives’.

The premium or discount on forward exchange contracts entered into to hedge an existing asset/liability is amortised as expense or income over the life of the contract. Any gain or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense, as the case may be on such occurrence.

**1.12 Revenue Recognition:**

Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer, and stated net of sales tax, VAT, trade discounts and rebates but includes excise duty.

Income from services is recognised as they are rendered (based on agreement/arrangement with the concerned customers).

Dividend income on investments is accounted for as and when the right to receive the payment is established.

Interest income is recognised on time-proportion basis.

Export incentives and other government incentives, insurance claims and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

Profit/(Loss) on sale of investments is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

**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, are 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. 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 incurred.

#### **Defined Benefit Plan**

The obligation in respect of defined benefit plans, which covers Gratuity and Pension, are provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved fund. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

#### **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.

#### **Share-Based Payments to Employees**

The stock options granted under Employee Stock Option Scheme-2006 and Employee Stock Option Scheme-2013 to employees of the Company are accounted for as per the accounting treatment prescribed by the Securities and Exchange Board of India, whereby the intrinsic value of options is recognised as deferred employee compensation. The deferred employee compensation is charged to the Statement of Profit and Loss on the straight-line basis over the vesting period of the option. The employee stock option outstanding account is shown net of any unamortised deferred employee compensation.

### **1.14 Foreign Currency Transactions and Translation:**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency, existing at the Balance Sheet date, are translated at the year-end exchange rates.

Exchange differences, including premium or discount on forward exchange contracts, arising till the commissioning of fixed assets, relating to borrowed funds and liabilities in foreign currency for acquisition of the fixed assets, are adjusted to the cost of fixed assets. All other exchange differences are recognised in the Statement of Profit and Loss.

Investment in Share Capital of companies registered outside India is carried in the Balance Sheet at the rates at which transactions have been executed.

Exchange difference, arising on restatement of long-term monetary items that in substance forms part of 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.

### **1.15 Research and Development Expenditure:**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development expenditure is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. Fixed assets procured for research and development activities are capitalised.

### **1.16 Operating Leases:**

Leases, where risk and reward of ownership are significantly retained by the lessor, are classified as operating leases, and lease rentals thereon are charged to the Statement of Profit and Loss on straight-line basis over the period of the lease.

### **1.17 Borrowing Costs:**

Borrowing costs include interest and ancillary costs incurred in connection with the borrowings. Borrowing costs in connection with the borrowing of funds, to the extent attributable to the acquisition or construction 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. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### **1.18 Depreciation/Amortisation:**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis or WDV basis over the useful lives as prescribed in Schedule II to the Companies Act, 2013.

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

Depreciation/Amortisation charge is provided on fixed assets on written-down-value method in respect of fixed assets of Viscose Staple Fibre Division (excluding Power Plants), Nagda, Engineering Division, Nagda and Corporate Finance Division, Mumbai, and on Straight-line Method in respect of other assets.

The useful life of an asset is the period over which an asset is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by the entity.

Useful life of part of the assets which is significant to total cost of assets has been determined separately and depreciation has been provided accordingly.

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II to 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 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. Such class of assets and their estimated useful lives are as under:

| <b><u>Asset</u></b>                         | <b><u>Estimated Useful Life</u></b> |
|---|-------------------------------------|
| Motor Cars/Two Wheelers                     | 5 years                             |
| Servers and Networks                        | 3 years                             |
| Other Electronic Office Equipment           | 4 years                             |
| Computer Software                           | 3 years                             |
| Furniture, Fixtures and Electrical Fittings | 7 years                             |
| Trademarks, Technical Knowhow               | 10 years                            |
| Motor Buses, Tractor, Trolleys              | 5 years                             |
| Power Plant                                 | 25 years                            |

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.

Individual assets costing less than ₹ 10,000 are depreciated in full in the year of acquisition.

Cost of Leasehold Land is amortised over the period of lease.

In respect of fixed assets added/disposed of during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deduction, however, in case of a new project the depreciation from the date of commissioning of such project is charged to Statement of Profit and Loss.

### **1.19 Provision for Current and Deferred Tax:**

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of the Income-tax Act, 1961.

Deferred Tax, resulting from timing difference between book and taxable profit for the year, is accounted for using the Tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The Deferred Tax asset is recognised and carried forward only to the extent there is a reasonable certainty of its realisation in future.

In the event of Unabsorbed Losses, deferred tax assets are recognised to the extent of virtual certainty that sufficient future taxable income will be available to realise such assets.

### **1.20 Minimum Alternate Tax (MAT):**

MAT is recognised as an asset only when and to the extent there is convincing evidence based on projections that the Company will pay normal Income-tax during the specified period. In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown 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 Company will pay normal Income-tax during the specified period.

### **1.21 Provisions/Contingencies:**

A provision is recognised when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined (as provided/charged to the Statement of Profit and Loss) based on estimate of the amount required to settle the obligation at the Balance Sheet date and are not discounted to present value.

Contingent liabilities are not recognised but are disclosed in the financial statements. Claims against the Company where the possibility of materialisation is remote are not considered as contingent liabilities.

Contingent assets are neither recognised nor disclosed, in the financial statements.

## 2.1 SHARE CAPITAL

|   |                         | ₹ in Crore                   |                              |
|---|-------------------------|------------------------------|------------------------------|
|   |                         | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>2.1.1 Authorised</b>   |                         |                              |                              |
| 95,000,000 Equity Shares of ₹ 10 each   |                         | <b>95.00</b>                 | 95.00                        |
| Redeemable Cumulative Preference Shares of ₹ 100 each   |                         |                              |                              |
| 150,000 15% "A" Series  |                         | <b>1.50</b>                  | 1.50                         |
| 100,000 8.57% "B" Series  |                         | <b>1.00</b>                  | 1.00                         |
| 300,000 9.30% "C" Series  |                         | <b>3.00</b>                  | 3.00                         |
|   |                         | <b>100.50</b>                | 100.50                       |
| <b>2.1.2 Issued, Subscribed and Fully Paid-up</b>   |                         |                              |                              |
| 91,852,185 (Previous Year 91,826,971) Equity Shares of ₹ 10 each fully paid-up  |                         | <b>91.86</b>                 | 91.83                        |
| <b>Share Capital Suspense</b>   |                         |                              |                              |
| 14,879 (Previous Year 14,879) Equity 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             |                         | <b>0.01</b>                  | 0.01                         |
|   |                         | <b>91.87</b>                 | 91.84                        |
| <b>2.1.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)</b>   |                         |                              |                              |
|   | <b>Number of Shares</b> |                              |                              |
|   | <b>Current Year</b>     | Previous Year                |                              |
| Outstanding as at the beginning of the year   | <b>91,841,850</b>       | 91,791,412                   | <b>91.84</b> 91.79           |
| Issued during the year under Employee Stock Option Scheme   | <b>25,214</b>           | 50,438                       | <b>0.03</b> 0.05             |
| Outstanding as at the end of the year   | <b>91,867,064</b>       | 91,841,850                   | <b>91.87</b> 91.84           |
| <b>2.1.4 Aggregate Number of Equity Shares allotted as fully paid-up out of Share Capital Suspense account as aforesaid during the period of five years immediately preceding the reporting date (without payment being received in cash)</b> |                         |                              |                              |
|   | <b>27</b>               | 27                           |                              |
| <b>2.1.5 List of Shareholders holding more than 5% shares in the Equity Share Capital of the Company</b>  |                         |                              |                              |
|   | <b>Current Year</b>     |                              | Previous Year                |
|   | <b>No. of Shares</b>    | <b>% Holding</b>             | No. of Shares % Holding      |
| Turquoise Investments and Finance Private Limited   | <b>5,908,341</b>        | <b>6.43%</b>                 | 5,908,341 6.43%              |
| Trapti Trading and Investments Private Limited  | <b>5,477,863</b>        | <b>5.96%</b>                 | 5,477,863 5.96%              |
| Life Insurance Corporation of India   | <b>6,762,454</b>        | <b>7.36%</b>                 | 7,696,546 8.38%              |

|  |  |  | ₹ in Crore                   |                              |
|--|--|--|------------------------------|------------------------------|
|  |  |  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |

|              |   |                   |               |            |        |
|--------------|---|-------------------|---------------|------------|--------|
| <b>2.1.6</b> | Equity Shares of ₹ 10 each represented by Global Depository Receipts (GDRs) (GDR holders have no voting rights) | <b>13,288,776</b> | <b>14.47%</b> | 13,259,243 | 14.44% |
|--------------|---|-------------------|---------------|------------|--------|

### 2.1.7 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of 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.

### 2.1.8 2,52,175 (Previous Year 2,82,502) Equity Shares of Face Value of ₹ 10 each are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006) and Employee Stock Option Scheme, 2013 (ESOS-2013)

**2.1.8.1 a.** Under the ESOS-2006, the Company has granted 306,675 Options to its eligible employees in five tranches, the details of which are given hereunder:

|                                       | Options  |                |                |               |                |
|---------------------------------------|--|----------------|----------------|---------------|----------------|
|                                       | Tranche I  | Tranche II     | Tranche III    | Tranche IV    | Tranche V      |
| No. of Options Granted                | 201,530  | 16,610         | 71,297         | 6,037         | 11,201         |
| Grant Date                            | 23rd Aug, 2007   | 25th Jan, 2008 | 30th Aug, 2010 | 2nd Jun, 2011 | 18th Oct, 2013 |
| Grant Price (₹ Per Share)             | 1,928  | 2,885          | 1,440          | 1,594         | 2,728          |
| Revised Grant Price*                  | 1,523  | 2,279          | N.A.           | N.A.          | N.A.           |
| Market Price on the Date of Grant (₹) | 2,728  | 2,885          | 2,018          | 2,330         | 2,714          |
| Method of Accounting                  | Intrinsic Value  |                |                |               |                |
| Graded Vesting Plan                   | 25% every year, commencing after one year from the date of grant |                |                |               |                |
| Normal Exercise Period                | 5 years from the date of vesting                                 |                |                |               |                |

\*The Grant Price in respect of Tranche I and II was revised in the Financial Year 2010-11 as per the Scheme of Demerger of Cement Business.

₹ in Crore

**As at**  
**31st March,**  
**2015**

As at  
31st March,  
2014

- b. Under the ESOS-2013, the Company has granted 170,369 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiaries in three tranches, the details of which are given hereunder:

|                                       | Options  |                | Restricted Stock Units                                   |                |                |
|---------------------------------------|--|----------------|--|----------------|----------------|
|                                       | Tranche I  | Tranche II *   | Tranche I  | Tranche II     | Tranche III    |
| No. of Options / RSU Granted          | 125,403  | 11,981         | 18,699   | 8,084          | 6,202          |
| Grant Date                            | 18th Oct, 2013   | 29th Jan, 2014 | 18th Oct, 2013   | 21st Nov, 2013 | 29th Jan, 2014 |
| Grant Price (₹ Per Share)             | 2,714  | 2,593          | 10   | 10             | 10             |
| Market Price on the Date of Grant (₹) | 2,714  | 2,593          | 2,714  | 2,608          | 2,593          |
| Method of Accounting                  | Intrinsic Value  |                | Intrinsic 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 |                |                |
| Normal Exercise Period                | 5 years from the date of vesting                                   |                | 5 years from the date of vesting                         |                |                |

\* Classified as Tranche III in the Annual Financial Statements of Financial Year 2013-14, now reclassified as Tranche II. There is no change in terms and conditions of underlying options.

#### 2.1.8.2 Movement of Options and RSUs Granted

|  | Number of Options and RSUs |               |
|--|----------------------------|---------------|
|  | Current Year               | Previous Year |
| Outstanding at the beginning of the year | 282,502                    | 152,406       |
| Granted during the year                  | -                          | 181,570       |
| Exercised during the year                | 25,214                     | 50,438        |
| Lapsed during the year                   | 5,113                      | 1,036         |
| Outstanding at the end of the year       | 252,175                    | 282,502       |
| Options: Unvested at the end of the year | 141,358                    | 200,340       |
| Exercisable at the end of the year       | 110,817                    | 82,162        |



₹ in Crore

| As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|------------------------------|------------------------------|
|------------------------------|------------------------------|

**2.1.8.3 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 ₹ 1,057 per stock option (Previous Year ₹ 1,057 per stock option).

| ESOS-2013           | Options   |             | Restricted Stock Units |            |             |
|---------------------|---|-------------|------------------------|------------|-------------|
|                     | Tranche I   | Tranche II* | Tranche I              | Tranche II | Tranche III |
| Risk-Free Rate      | 8.58%   | 8.87%       | 8.66%                  | 8.90%      | 9.00%       |
| Option Life (Years) | Vesting Period (1 Year)+ Average of Exercise Period |             | 5.50                   | 5.50       | 5.50        |
| Expected Volatility | 24.01%  | 23.47%      | 24.01%                 | 23.76%     | 23.47%      |
| Dividend Yield      | 1.03%   | 1.10%       | 1.34%                  | 1.40%      | 1.43%       |

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 990 per stock option and ₹ 2550 per RSU. (Previous Year ₹ 990 per stock option and ₹ 2550 per RSU)

\* Clasified as Tranche III in the Annual Financial Statements of Financial Year 2013-14, now reclassified as Tranche II. There is no change in terms and conditions of underlying options.

Had the compensation cost for the stock options granted under ESOS-2006 and ESOS-2013 been determined based on fair-value approach, the Company's net profit and earnings per share would have been as follows:

|   |               |        |
|---|---------------|--------|
| <b>Profit for the Year (As Reported)</b>  | <b>529.90</b> | 895.99 |
| Add: Compensation Expenses under ESOS included in the Statement of Profit and Loss (Note 3.7) | <b>2.75</b>   | 1.36   |
| Less: Compensation Expenses under ESOS as per Fair Value                                      | <b>7.92</b>   | 4.73   |
| <b>Profit for the year (Fair Value basis)</b>   | <b>524.73</b> | 892.62 |
| Basic Earnings Per Share: (As Reported) - ₹/Share   | <b>57.69</b>  | 97.58  |
| <b>(Fair Value basis) - ₹/Share</b>   | <b>57.13</b>  | 97.22  |
| Diluted Earnings Per Share: (As Reported) - ₹/Share   | <b>57.63</b>  | 97.54  |
| <b>(Fair Value basis) - ₹/Share</b>   | <b>57.06</b>  | 97.17  |

## 2.2 RESERVES AND SURPLUS

₹ in Crore

|  | Securities<br>Premium<br>Account | General<br>Reserve | Hedging<br>Reserve<br>* | Employee<br>Share<br>Options<br>Outstanding<br># | Foreign<br>Currency<br>Translation<br>Reserve@ | Surplus<br>as per<br>Statement<br>of Profit<br>and Loss | Total            |
|--|----------------------------------|--------------------|-------------------------|--|--|---|------------------|
| <b>As at 31st March 2015</b>   |                                  |                    |                         |  |  |   |                  |
| Opening Balance as at 1st April, 2014  | 32.52                            | 9,145.81           | -                       | 6.78   | 5.59   | 1,545.04  | 10,735.74        |
| Profit for the Year  | -                                | -                  | -                       | -  | -  | 529.90  | 529.90           |
| Transfer from the Statement of Profit and Loss to General Reserve                                      |                                  | 200.00             |                         |  |  | (200.00)  | -                |
| Depreciation charged to Surplus as per statement of Profit and Loss (Net of Deferred Tax) (Note 2.2.1) | -                                |                    |                         | -  | -  | (9.25)  | (9.25)           |
| Loss recognised during the year  |                                  |                    | (0.01)                  |  |  |   | (0.01)           |
| Proposed Dividend (including Corporate Dividend Tax)   | -                                | -                  | -                       | -  | -  | (168.74)  | (168.74)         |
| Movement related to ESOS   | 5.46                             | -                  | -                       | 1.49   | -  | -   | 6.95             |
| Restatement of Long-Term Loan to a Foreign Joint Venture   | -                                | -                  | -                       | -  | (3.54)   | -   | (3.54)           |
| <b>Closing Balance as at 31st March, 2015</b>  | <b>37.98</b>                     | <b>9,345.81</b>    | <b>(0.01)</b>           | <b>8.27</b>                                      | <b>2.05</b>                                    | <b>1,696.95</b>   | <b>11,091.05</b> |
| <b>As at 31st March 2014</b>   |                                  |                    |                         |  |  |   |                  |
| Opening Balance as at 1st April, 2013  | 21.73                            | 8,445.81           |                         | 8.10   | 5.03   | 1,549.40  | 10,030.07        |
| Profit for the Year  | -                                | -                  |                         | -  | -  | 895.99  | 895.99           |
| Transfer from the Statement of Profit and Loss to General Reserve                                      | -                                | 700.00             |                         | -  | -  | (700.00)  | -                |
| Proposed Dividend (including Corporate Dividend Tax)   | -                                | -                  |                         | -  | -  | (200.35)  | (200.35)         |
| Movement related to ESOS   | 10.79                            | -                  |                         | (1.32)   | -  | -   | 9.47             |
| Restatement of Long-Term Loan to a Foreign Joint Venture   | -                                | -                  |                         | -  | 0.56   | -   | 0.56             |
| <b>Closing Balance as at 31st March, 2014</b>  | <b>32.52</b>                     | <b>9,145.81</b>    | <b>-</b>                | <b>6.78</b>                                      | <b>5.59</b>                                    | <b>1,545.04</b>   | <b>10,735.74</b> |

\* Hedging Reserve represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.

# Net of Deferred Employees' Compensation Expenses ₹ 4.65 Crore (Previous Year ₹ 7.88 Crore).

@ Foreign Currency Translation Reserve represents the exchange rate variation on the reporting date in respect of Foreign Currency Loan to a Joint Venture of the Company, being a non - integral foreign operation.

**2.2.1** Carrying value of the assets whose useful life is already exhausted as on 1st April, 2014, amounting to ₹ 14.14 Crore net off deferred tax credit of ₹ 4.89 Crore has been recognised in Surplus as per Statement of Profit and Loss as per Schedule II to the Companies Act, 2013. (Refer Note No 2.11.8)

**2.2.2** The Board of Directors has recommended a dividend of ₹ 18 per share for the year ended, 31st March, 2015 (Previous Year ₹ 21 per share). The total cash outflows on account of the dividend would be ₹ 165.33 Crore (Previous Year ₹ 192.84 Crore) and on account of Corporate Dividend Tax ₹ 3.37 Crore (Previous Year ₹ 7.48 Crore).

**2.2.3** Proposed Dividend (including Corporate Dividend Tax) includes ₹ 0.04 Crore (Previous Year ₹ 0.03 Crore) related to Previous Year.

|                                 | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|---------------------------------|------------------------------|------------------------------|
| <b>2.3 LONG-TERM BORROWINGS</b> |                              |                              |
| <b>Secured</b>                  |                              |                              |
| Rupee Term Loans from Banks     | <b>834.76</b>                | 964.43                       |
| <b>Unsecured</b>                |                              |                              |
| Deferred Sales Tax Loans        | <b>21.78</b>                 | 39.95                        |
|                                 | <b>856.54</b>                | 1,004.38                     |

**2.3.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current:**

|   | As at<br>31st March,<br>2015 |               | As at<br>31st March,<br>2014 |              |
|---|------------------------------|---------------|------------------------------|--------------|
|   | Current*                     | Non-Current   | Current*                     | Non- Current |
| <b>Secured Long-Term Borrowings:</b>  |                              |               |                              |              |
| (a) Rupee Term Loan secured by exclusive charge on certain specific fixed assets of the Company located at Nagda (Staple Fibre Division) and Harihar (Staple Fibre and Pulp Divisions)<br>Quarterly ballooning repayment from October 2007, over 8 years  | <b>6.68</b>                  | -             | 26.16                        | 6.68         |
| (b) Rupee Term Loan secured by first charge on the fixed assets, both present and future, of the Company located at Nagda (Staple Fibre, Chemical and Engineering & Development Divisions), Kharach (Staple Fibre Division) and Harihar (Staple Fibre and Pulp Divisions) [excluding those specific fixed assets, which are exclusively charged for the loan mentioned in Note (a) above]<br>Quarterly ballooning repayment from April 2010, over 8 years | <b>46.88</b>                 | <b>91.88</b>  | 45.00                        | 138.75       |
| (c) 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)<br>Quarterly ballooning repayment from April 2014, over 5 years  | <b>112.50</b>                | <b>706.50</b> | 81.00                        | 819.00       |

|  | As at<br>31st March,<br>2015 |               | As at<br>31st March,<br>2014 |              |
|--|------------------------------|---------------|------------------------------|--------------|
|  | Current*                     | Non-Current   | Current*                     | Non- Current |
| (d) Rupee Term Loan Secured by Exclusive charge on certain specific fixed assets of Nagda (Staple Fibre Division)          | -                            | 36.39         |                              |              |
| Quarterly ballooning repayment from May 2016, over 5 years   |                              |               |                              |              |
| <b>Total Secured Borrowings (I)</b>  | <b>166.06</b>                | <b>834.76</b> | 152.16                       | 964.43       |
| <b>Unsecured Long-Term Borrowings:</b>   |                              |               |                              |              |
| Deferred Sales Tax Loans (Interest Free)   |                              |               |                              |              |
| - Repayable in six annual instalments starting from 31st May, 2012   | 10.89                        | 21.78         | 10.89                        | 32.68        |
| - Repayable after ten years from the respective year in which the actual tax was collected, starting from 14th March, 2011 | 7.27                         | -             | 7.49                         | 7.27         |
| <b>Total Unsecured Borrowings (II)</b>   | <b>18.16</b>                 | <b>21.78</b>  | 18.38                        | 39.95        |
| <b>Total Borrowings (I + II)</b>   | <b>184.22</b>                | <b>856.54</b> | 170.54                       | 1,004.38     |

\* Amount disclosed as Current maturities of long-term debts under the head 'Other Current Liabilities' (Note 2.9).

### 2.3.2 Maturity Profile of Long-Term Borrowings (including Current maturities) is as set out below:

|                             |                     | Maturity Profile   |               |              |
|-----------------------------|---------------------|--------------------|---------------|--------------|
|                             |                     | With in<br>2 years | 3-4 years     | 5-6 years    |
| <b>Secured</b>              |                     |                    |               |              |
| Rupee Term Loans from Banks |                     | 379.33             | 599.30        | 22.19        |
| <b>Unsecured</b>            |                     |                    |               |              |
| Deferred Sales Tax Loans    |                     | 29.05              | 10.89         | -            |
| <b>Total</b>                | <b>Current Year</b> | <b>408.38</b>      | <b>610.19</b> | <b>22.19</b> |
|                             | Previous Year       | 354.76             | 473.66        | 346.50       |

₹ in Crore

|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|--|------------------------------|------------------------------|
|--|------------------------------|------------------------------|

**2.4 DEFERRED TAX LIABILITIES (NET)**

|  | As at<br>31st<br>March,<br>2015 | Adjustment<br>during<br>the Year<br>(Note 2.2.1) | Charge for<br>the Year | As at<br>31st<br>March,<br>2014 |
|--|---------------------------------|--|------------------------|---------------------------------|
| <b>Deferred Tax Liabilities:</b>                       |                                 |  |                        |                                 |
| Accumulated Depreciation                               | 692.23                          | (4.89)   | 221.51                 | 475.61                          |
| Others   | 0.04                            | -  | 0.04                   | -                               |
| <b>Deferred Tax Assets:</b>                            |                                 |  |                        |                                 |
| Accrued Expenses Allowable on Payment Basis            | 9.14                            | -  | 0.89                   | 8.25                            |
| Expenses Allowable in Instalments in Income-tax        | 0.63                            | -  | 0.10                   | 0.53                            |
| Provision for Contingencies Allowable on Payment Basis | 5.74                            | -  | 0.91                   | 4.83                            |
| Unabsorbed Depreciation                                | 62.25                           | -  | 62.25                  | -                               |
|  | <u>77.76</u>                    | <u>-</u>   | <u>64.15</u>           | <u>13.61</u>                    |
| <b>Deferred Tax Liabilities (Net)</b>                  | <u>614.51</u>                   | <u>(4.89)</u>                                    | <u>157.40</u>          | <u>462.00</u>                   |

Current year charge includes ₹ 8.40 Crore on account of increase in rate of surcharge on Income-tax as per Finance Bill 2015.

**2.5 OTHER LONG-TERM LIABILITIES**

|                             |              |              |
|-----------------------------|--------------|--------------|
| Security and Other Deposits | 1.15         | 1.32         |
| Other Liabilities           | 19.83        | 13.34        |
|                             | <u>20.98</u> | <u>14.66</u> |

**2.6 LONG-TERM PROVISIONS**

|                       |              |              |
|-----------------------|--------------|--------------|
| For Employee Benefits | 67.63        | 42.31        |
|                       | <u>67.63</u> | <u>42.31</u> |

**2.7 SHORT-TERM BORROWINGS****Loans Repayable on Demand from Bank****Secured**

Working Capital Borrowings (Note 2.7.1)

Rupee Loans

5.03 93.86

**Unsecured**

Working Capital Borrowings

Foreign Currency Loans

68.85 -

Rupee Loans

- 31.00

Documentary Demand Bills/Usance Bills under Letter of Credit discounted

0.32 2.30

74.20 127.16

**2.7.1** Working Capital Borrowings are secured by hypothecation of stocks and book debts of the Company

**2.8 TRADE PAYABLES**

|                                    |               |               |
|------------------------------------|---------------|---------------|
| Due to Micro and Small Enterprises | 0.30          | 0.12          |
| Others                             | 628.63        | 451.27        |
|                                    | <u>628.93</u> | <u>451.39</u> |

There is no principal amount and interest overdue to the Micro and Small Enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

₹ in Crore

|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|--|------------------------------|------------------------------|
| <b>2.9 OTHER CURRENT LIABILITIES</b>   |                              |                              |
| Current Maturities of Long-Term Debts (Note 2.3.1)   | <b>184.22</b>                | 170.54                       |
| Interest Accrued but not Due on Borrowings   | <b>9.13</b>                  | 8.32                         |
| Unpaid Dividends (Amount Transferable to Investor Education and Protection Fund, when due) | <b>10.37</b>                 | 10.40                        |
| Security and Other Deposits (Trade Deposits)   | <b>17.34</b>                 | 12.26                        |
| Advances from Customers  | <b>27.73</b>                 | 30.32                        |
| Liability for Capital Goods  | <b>36.60</b>                 | 49.49                        |
| Other Payables (including Statutory Dues, etc.)  | <b>200.32</b>                | 200.65                       |
|  | <b>485.71</b>                | 481.98                       |

## 2.10 SHORT-TERM PROVISIONS

|                                   |               |        |
|-----------------------------------|---------------|--------|
| For Employee Benefits             | <b>10.62</b>  | 9.67   |
| For Proposed Dividend             | <b>165.33</b> | 192.84 |
| For Corporate Dividend Tax        | <b>3.37</b>   | 7.48   |
| For Taxation (Net of Advance Tax) | <b>256.47</b> | 256.20 |
|                                   | <b>435.79</b> | 466.19 |

## 2.11 FIXED ASSETS

₹ in Crore

|  | Gross Block     |                 |              |                 | Depreciation/Amortisation |                               |              |  | Net Block       |
|--|-----------------|-----------------|--------------|-----------------|---------------------------|-------------------------------|--------------|--|-----------------|
|  | Opening         | Additions       | Deductions   | Closing         | Opening                   | For the Year<br>(Note 2.11.8) | Deductions   | Closing  | Closing         |
| <b>Current Year ended 31st March 2015</b>  |                 |                 |              |                 |                           |                               |              |  |                 |
| <b>TANGIBLE ASSETS</b>                     |                 |                 |              |                 |                           |                               |              |  |                 |
| Freehold Land                              | 47.29           | 41.68           | 0.03         | <b>88.94</b>    | -                         | -                             | -            | -  | <b>88.94</b>    |
| Leasehold Land                             | 92.00           | -               | -            | <b>92.00</b>    | 3.28                      | 0.54                          | -            | <b>3.82</b>  | <b>88.18</b>    |
| Buildings                                  | 578.00          | 281.81          | 0.01         | <b>859.80</b>   | 124.87                    | 33.86                         | 0.01         | <b>158.72</b>  | <b>701.08</b>   |
| Plant and Equipment                        | 4,576.42        | 1,514.36        | 35.74        | <b>6,055.04</b> | 1,663.95                  | 220.89                        | 27.00        | <b>1,857.84</b>  | <b>4,197.20</b> |
| Furniture and Fixtures                     | 29.79           | 9.55            | 3.88         | <b>35.46</b>    | 22.72                     | 3.17                          | 3.57         | <b>22.32</b>   | <b>13.14</b>    |
| Vehicles                                   | 42.80           | 67.70           | 3.72         | <b>106.78</b>   | 25.30                     | 9.69                          | 2.74         | <b>32.25</b>   | <b>74.53</b>    |
| Office Equipment                           | 64.87           | 10.02           | 1.08         | <b>73.81</b>    | 47.78                     | 9.85                          | 0.97         | <b>56.66</b>   | <b>17.15</b>    |
| Railway Sidings                            | 5.67            | -               | -            | <b>5.67</b>     | 3.28                      | 0.71                          | -            | <b>3.99</b>  | <b>1.68</b>     |
| <b>Total Tangible Assets</b>               | <b>5,436.84</b> | <b>1,925.12</b> | <b>44.46</b> | <b>7,317.50</b> | <b>1,891.18</b>           | <b>278.71</b>                 | <b>34.29</b> | <b>2,135.60</b>  | <b>5,181.90</b> |
| <b>INTANGIBLE ASSETS</b>                   |                 |                 |              |                 |                           |                               |              |  |                 |
| Computer Software                          | 11.01           | 2.67            | 0.01         | <b>13.67</b>    | 8.94                      | 1.42                          | 0.01         | <b>10.35</b>   | <b>3.32</b>     |
| Technical Know how                         | -               | 2.50            | -            | <b>2.50</b>     | -                         | 0.18                          | -            | <b>0.18</b>  | <b>2.32</b>     |
| Trade Mark (Note 2.11.6)                   | 0.01            | -               | -            | <b>0.01</b>     | -                         | 0.01                          | -            | <b>0.01</b>  | -               |
| <b>Total Intangible Assets</b>             | <b>11.02</b>    | <b>5.17</b>     | <b>0.01</b>  | <b>16.18</b>    | <b>8.94</b>               | <b>1.61</b>                   | <b>0.01</b>  | <b>10.54</b>   | <b>5.64</b>     |
|  | <b>5,447.86</b> | <b>1,930.29</b> | <b>44.47</b> | <b>7,333.68</b> | <b>1,900.12</b>           | <b>280.32</b>                 | <b>34.30</b> | <b>2,146.14</b>  | <b>5,187.54</b> |
|  |                 |                 |              |                 |                           |                               |              | Capital Work-in-Progress<br>(including Pre-operative Expenses) | <b>450.36</b>   |
|  |                 |                 |              |                 |                           |                               |              | <b>Total Fixed Assets</b>                                      | <b>5,637.90</b> |
| <b>Previous Year ended 31st March 2014</b> |                 |                 |              |                 |                           |                               |              |  |                 |
| <b>TANGIBLE ASSETS</b>                     |                 |                 |              |                 |                           |                               |              |  |                 |
| Freehold Land                              | 37.98           | 9.31            | -            | 47.29           | -                         | -                             | -            | -  | 47.29           |
| Leasehold Land                             | 85.72           | 6.28            | -            | 92.00           | 2.86                      | 0.42                          | -            | 3.28   | 88.72           |
| Buildings                                  | 336.22          | 241.78          | -            | 578.00          | 110.62                    | 14.25                         | -            | 124.87   | 453.13          |
| Plant and Equipment                        | 3,161.84        | 1,421.54        | 6.96         | 4,576.42        | 1,477.19                  | 192.95                        | 6.19         | 1,663.95   | 2,912.47        |
| Furniture and Fixtures                     | 26.19           | 3.98            | 0.38         | 29.79           | 21.11                     | 1.92                          | 0.31         | 22.72  | 7.07            |
| Vehicles                                   | 40.95           | 7.37            | 5.52         | 42.80           | 24.22                     | 4.97                          | 3.89         | 25.30  | 17.50           |
| Office Equipment                           | 58.25           | 7.65            | 1.03         | 64.87           | 43.56                     | 5.16                          | 0.94         | 47.78  | 17.09           |
| Railway Sidings                            | 5.67            | -               | -            | 5.67            | 3.01                      | 0.27                          | -            | 3.28   | 2.39            |
| <b>Total Tangible Assets</b>               | <b>3,752.82</b> | <b>1,697.91</b> | <b>13.89</b> | <b>5,436.84</b> | <b>1,682.57</b>           | <b>219.94</b>                 | <b>11.33</b> | <b>1,891.18</b>  | <b>3,545.66</b> |
| <b>INTANGIBLE ASSETS</b>                   |                 |                 |              |                 |                           |                               |              |  |                 |
| Computer Software                          | 9.86            | 1.24            | 0.09         | 11.01           | 8.16                      | 0.87                          | 0.09         | 8.94   | 2.07            |
| Trade Mark (Note 2.11.6)                   | 0.01            | -               | -            | 0.01            | -                         | -                             | -            | -  | 0.01            |
| <b>Total Intangible Assets</b>             | <b>9.87</b>     | <b>1.24</b>     | <b>0.09</b>  | <b>11.02</b>    | <b>8.16</b>               | <b>0.87</b>                   | <b>0.09</b>  | <b>8.94</b>  | <b>2.08</b>     |
|  | <b>3,762.69</b> | <b>1,699.15</b> | <b>13.98</b> | <b>5,447.86</b> | <b>1,690.73</b>           | <b>220.81</b>                 | <b>11.42</b> | <b>1,900.12</b>  | <b>3,547.74</b> |
|  |                 |                 |              |                 |                           |                               |              | Capital Work-in-Progress<br>(including Pre-operative Expenses) | <b>1,807.45</b> |
|  |                 |                 |              |                 |                           |                               |              | <b>Total Fixed Assets</b>                                      | <b>5,355.19</b> |



|  | ₹ in Crore                   |                              |
|--|------------------------------|------------------------------|
|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>2.11.1</b> Building includes workers' quarters mortgaged with state governments against subsidies received:   |                              |                              |
| Gross Block  | 0.46                         | 0.46                         |
| Accumulated Depreciation   | 0.45                         | 0.45                         |
| Net Block  | 0.01                         | 0.01                         |
| <b>2.11.2</b> Assets Held on Co-ownership with other companies:  |                              |                              |
| Gross Block  | 87.71                        | 87.60                        |
| Accumulated Depreciation   | 19.77                        | 18.20                        |
| Net Block  | 67.94                        | 69.40                        |
| <b>2.11.3</b> Fixed Assets include Capital Expenditure for Research and Development Activities:  |                              |                              |
| Gross Block  | 102.59                       | 83.93                        |
| Accumulated Depreciation   | 20.04                        | 14.37                        |
| Net Block  | 82.55                        | 69.56                        |
| Additions during the year  | 19.04                        | 48.89                        |
| Capital Work-in-Progress   | -                            | 4.88                         |
| <b>2.11.4</b> Additions to Fixed Assets include Capitalisation on Account of:  |                              |                              |
| Finance Costs  | 1.42                         | -                            |
| <b>2.11.5</b> Depreciation and Amortisation for the Year:  | 280.32                       | 220.81                       |
| Less: Capitalised as Pre-operative Expenses  | 3.63                         | 1.20                         |
| Less: Depreciation transferred to Surplus as per Statement of Profit and Loss (Note 2.11.8)  | 14.14                        | -                            |
| Depreciation and Amortisation for the Year Charged to the Statement of Profit and Loss   | 262.55                       | 219.61                       |
| <b>2.11.6</b> Amortisation Expense related to Trademark in previous Year ₹ 10,000  |                              |                              |
| <b>2.11.7</b> Pre-operative Expenses Pending Allocation included in Capital Work-in-Progress:  |                              |                              |
| Expenditure incurred during the year:  |                              |                              |
| Salaries, Wages, Bonus and Gratuity  | 16.97                        | 32.68                        |
| Raw Materials Consumed   | 212.89                       | 4.72                         |
| Consumption of Stores, Spare Parts and Components, Packing Materials and Incidental Expenses   | 8.53                         | 8.46                         |
| Rent and Hire Charges  | 1.03                         | 1.28                         |
| Power and Fuel   | 39.13                        | 41.67                        |
| Rates and Taxes  | -                            | 0.17                         |
| Insurance  | 3.44                         | 2.41                         |
| Exchange Rate Difference Loss/(Gain) (Net)   | 4.22                         | (0.52)                       |
| Depreciation   | 3.63                         | 1.20                         |
| Other Expenses   | 15.12                        | 20.20                        |
| Finance Costs  | 24.86                        | 40.25                        |
|  | 329.82                       | 152.52                       |
| Less: Income Earned during the year  |                              |                              |
| Sale of Trial Run Production {(Net of Excise Duty ₹ 15.75 Crore (Previous Year ₹ 1.35 Crore))}   | 133.34                       | 18.90                        |
| Stock of Trial Run Production  | 89.08                        | (3.04)                       |
| Miscellaneous Receipts   | 1.26                         | 2.86                         |
|  | 223.68                       | 18.72                        |
| Total Pre-Operative Expenses incurred during the year  | 106.14                       | 133.80                       |
| Add: Pre-Operative Expenditure Incurred upto Previous Year   | 120.90                       | 77.37                        |
| Less: Pre-Operative Expenditure Allocated to Fixed Assets during the Year  | 217.27                       | 90.27                        |
| <b>Total Pre-Operative Expenses Pending Allocation</b>   | <b>9.77</b>                  | <b>120.90</b>                |
| <b>2.11.8</b> From 1st April, 2014 as per applicable provisions of Schedule II to the Companies Act, 2013, the depreciation has been provided as per the useful life specified in the Act or as re-assessed by the Company. Carrying value of the assets whose useful life is already exhausted as on 1st April, 2014, amounting to ₹ 14.14 Crore and deferred tax credit of ₹ 4.89 Crore has been recognised in the Surplus as per Statement of Profit and Loss. Had there been no change as stated above, depreciation would have been higher by ₹ 43.47 Crore for the year ended 31st March, 2015 |                              |                              |

₹ in Crore

## 2.12 NON-CURRENT INVESTMENTS

(Long-Term, Fully Paid up, At Cost)

### Trade Investments

#### Investments in Equity Instruments

##### Subsidiaries

|   | Face Value | Total Nos.  | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------|-------------|------------------------|------------------------|
| UltraTech Cement Limited # (Note 2.12.2)                              | ₹ 10       | 165,335,150 | 2,636.25               | 2,636.25               |
| Samruddhi Swastik Trading and Investments Limited                     | ₹ 10       | 6,500,000   | 6.50                   | 6.50                   |
| Sun God Trading and Investments Limited (Previous Year 49,000 shares) | ₹ 10       | 53,900      | 0.05                   | 0.05                   |
| Grasim Bhiwani Textiles Limited (Note 2.12.3)                         | ₹ 10       | 20,050,000  | 60.05                  | 60.05                  |
| Aditya Birla Power Ventures Limited (Previous Year 50,000 shares)     | ₹ 10       | -           | -                      | 0.05                   |
| Provision for Diminution (Note 2.12.5)                                |            |             | -                      | (0.05)                 |
|   |            |             | <b>2,702.85</b>        | <b>2,702.85</b>        |

##### Joint Ventures

|  |           |            |               |               |
|--|-----------|------------|---------------|---------------|
| AV Cell Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 13.50 Million (Note 2.12.3)     | WPV       | 81,000     | 50.66         | 50.66         |
| AV Nackawic Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 24.75 Million (Note 2.12.3) | WPV       | 123,750    | 102.38        | 102.38        |
| Birla Jingwei Fibres Co. Limited, China, Shares of aggregate value of RMB 174.53 Million (Note 2.12.3)       | WPV       | -          | 117.40        | 117.40        |
| Birla Lao Pulp and Plantations Company Limited, Laos (Previous Year 18,000 shares)                           | US\$ 1000 | 18,840     | 91.24         | 86.12         |
| Provision for Diminution (Note 2.12.6)   |           |            | (26.24)       | -             |
| Bhubaneswari Coal Mining Limited   | ₹ 10      | 33,540,000 | 33.54         | 33.54         |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey  | TRY 10    | 1,999,998  | 56.67         | 56.67         |
| AV Terrace Bay Inc., Canada (Previous Year 26,000,000 shares) (Note 2.12.3)                                  | CAD 1     | 28,000,000 | 156.36        | 145.35        |
| Aditya Group AB, Sweden (Note 2.12.3)  | SEK 1000  | 50         | 274.89        | 274.89        |
|  |           |            | <b>856.90</b> | <b>867.01</b> |

##### Associates

|   |      |           |             |             |
|---|------|-----------|-------------|-------------|
| Aditya Birla Science & Technology Company Private Limited (Formerly known as Aditya Birla Science & Technology Company Limited) | ₹ 10 | 7,799,500 | 7.80        | 7.80        |
|   |      |           | <b>7.80</b> | <b>7.80</b> |

##### Others

|   |             |            |             |             |
|---|-------------|------------|-------------|-------------|
| Thai Rayon Public Company Limited, Thailand#  | Thai Baht 1 | 13,988,570 | 1.07        | 1.07        |
| P.T. Indo Bharat Rayon Co. Limited, Indonesia | US\$ 100    | 5,000      | 0.40        | 0.40        |
| Aditya Birla Ports Limited                    | ₹ 10        | 50,000     | 0.05        | 0.05        |
|   |             |            | <b>1.52</b> | <b>1.52</b> |

#### Investments in Preference Shares

##### Subsidiaries

|  |       |     |   |   |
|--|-------|-----|---|---|
| 15% Cumulative Redeemable Preference Shares of Sun God Trading and Investments Limited | ₹ 100 | 100 | - | * |
| * ₹ 10,000   |       |     |   |   |

##### Joint Ventures

|   |     |           |       |       |
|---|-----|-----------|-------|-------|
| 6% Cumulative Redeemable Retractable, Non-voting Preferred Shares of AV Nackawic Inc., Canada, of aggregate value of Canadian Dollar 6.75 million | WPV | 6,750,000 | 26.65 | 26.65 |
| Redeemable Preference Shares of Aditya Group AB, Sweden of aggregate value of USD 8 Million (Previous Year Nil)                                   | WPV | 160,000   | 49.25 | -     |

##### Others

|   |       |           |       |       |
|---|-------|-----------|-------|-------|
| 3.50% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited | ₹ 100 | 2,500,000 | 25.00 | 25.00 |
|---|-------|-----------|-------|-------|

₹ in Crore

|  | Face Value    | Total Nos.  | As at 31st March, 2015 | As at 31st March, 2014 |
|--|---------------|-------------|------------------------|------------------------|
| <b>Other Investments</b>   |               |             |                        |                        |
| <b>Investments in Equity Instruments</b>                                       |               |             |                        |                        |
| <b>Associates</b>  |               |             |                        |                        |
| Idea Cellular Limited# (Note 2.12.3)   | ₹ 10          | 171,013,894 | 171.01                 | 171.01                 |
| <b>Others</b>  |               |             |                        |                        |
| Aditya Birla Nuvo Limited#   | ₹ 10          | 3,345,816   | 68.37                  | 68.37                  |
| Larsen & Toubro Limited# (Note 2.12.4)   | ₹ 2           | 5,777,976   | 23.11                  | 23.11                  |
| Hindalco Industries Limited#   | ₹ 1           | 54,542,475  | 351.11                 | 351.11                 |
| Indophil Textile Mills Inc., Philippines                                       | Peso 10       | 422,496     | 0.04                   | 0.04                   |
| Birla International Limited - Isle of Man                                      | CHF 100       | 2,500       | 0.53                   | 0.53                   |
| JSW Steel (Salav) Limited (Formerly known as Welspun Maxsteel Limited)         | ₹ 10          | 1,400,000   | 0.10                   | 0.10                   |
|  |               |             | <b>443.26</b>          | 443.26                 |
| <b>Investments in Government or Trust Securities</b>                           |               |             |                        |                        |
| Deposited with Government Departments  |               |             | <b>0.02</b>            | 0.02                   |
| <b>Investments in Debentures or Bonds#</b>                                     |               |             |                        |                        |
| Tata Steel Limited - 11.80% Perpetual NCD (Previous Year 180 units)            | ₹ 1,000,000   | 80          | 8.20                   | 18.53                  |
| Government of India - 8.33% Taxable Bond                                       | ₹ 100,000,000 | -           | -                      | 10.17                  |
| Housing and Urban Development Corporation Limited - Tax Free Bond - 8.10% 2022 | ₹ 1000        | 195,000     | 19.50                  | 19.50                  |
| Indian Railway Finance Corporation Limited - Tax Free Bond - 7.18% 2023        | ₹ 1000        | 400,000     | 40.00                  | 40.00                  |
| Indian Railway Finance Corporation Limited - Tax Free Bond - 7.34% 2028        | ₹ 1000        | 600,000     | 60.00                  | 60.00                  |
| National Highways Authority of India - Tax Free Bond - 8.20% 2022              | ₹ 1000        | 147,238     | 14.72                  | 14.72                  |
| Power Finance Corporation Limited - Tax Free Bond - 8.20% 2022                 | ₹ 1000        | 119,546     | 11.95                  | 11.95                  |
| State Bank of India - 9.50% Bond 2025  | ₹ 10,000      | 107         | 0.11                   | 0.11                   |
|  |               |             | <b>154.48</b>          | 174.98                 |
| <b>Investments in Debt Schemes of various Mutual Funds#</b>                    | ₹ 10          | 47,400,000  | <b>47.40</b>           | -                      |
| (Previous Year Nil units)  |               |             | <b>4,486.14</b>        | 4,420.10               |

WPV - Without Par Value

# Quoted Investments

**2.12.1** Aggregate Book Value of:

|  |                  |           |
|--|------------------|-----------|
| Quoted Investments   | 3,452.80         | 3,425.90  |
| Unquoted Investments                                       | 1,033.34         | 994.20    |
|  | <b>4,486.14</b>  | 4,420.10  |
| Aggregate Market Value of Quoted Investments               | <b>53,210.39</b> | 40,668.36 |
| Aggregate provision for diminution in value of investments | <b>26.24</b>     | 0.05      |

**2.12.2** 97,142,856 Equity Shares of ₹ 10 each, received in terms of the Scheme of Amalgamation of Samruddhi Cement Limited with UltraTech Cement Limited, were locked in for a period of 3 years from the date of allotment, i.e. 26th August, 2010.

**2.12.3** The investment in Company's Subsidiary, Grasim Bhiwani Textiles Limited; its Joint Ventures, AV Cell Inc., AV Nackawic 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 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.

**2.12.4** Investment in shares of Larsen & Toubro Limited are non-transferable, pending disposal of appeal filed in earlier year by Larsen & Toubro Limited and others in Hon'ble Bombay High Court against the single bench order of the court in favour of the Company.

**2.12.5** Provision for diminution in previous year represents diminution in value of shares of Aditya Birla Power Ventures Limited, which has been dissolved under section 560 of the Companies Act, 1956 during the current year.

**2.12.6** 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 ₹ 91.24 Crore. Considering the present overcapacity in both pulp and fibre businesses, it's strategic importance to the Company is diminished. Therefore the Company has provided ₹ 26.24 Cr. (being the excess of the cost over the estimated enterprise value) towards diminution, other than temporary, in the value of the said investment which has been disclosed as Exceptional Item.

₹ in Crore

|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|--|------------------------------|------------------------------|
|--|------------------------------|------------------------------|

## 2.13 LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good, unless otherwise stated)

|   |               |               |
|---|---------------|---------------|
| Capital Advances for Purchase of Fixed Assets                   | 71.76         | 139.93        |
| Security Deposits   | 49.14         | 38.85         |
| Loans and Advances to Related Parties (Note 4.5.3)              | 54.04         | 60.54         |
| MAT Credit Entitlement  | 339.78        | 230.12        |
| Other Loans and Advances (includes Advances to Suppliers, etc.) | 11.33         | 9.16          |
|   | <b>526.05</b> | <b>478.60</b> |

### 2.13.1 Disclosure as per Clause 32 of the Listing Agreement:

- (a) Loans and Advances given to Subsidiaries and Associates  
(including Current Loans and Advances):

| Name of the Company<br>Subsidiaries                       | Maximum Balance<br>Outstanding during the |               | Amount<br>Outstanding |               |
|---|---|---------------|-----------------------|---------------|
|   | Current Year                              | Previous Year | Current Year          | Previous Year |
| Samruddhi Swastik Trading and Investments Limited         | 0.14                                      | 0.01          | -                     | -             |
| Grasim Bhiwani Textiles Limited                           | 27.90                                     | 21.69         | 24.15                 | 15.18         |
| Sun God Trading and Investment Ltd                        | 0.07                                      | -             | -                     | -             |
| <b>Associates</b>   |   |               |                       |               |
| Aditya Birla Science & Technology Company Private Limited | 11.83                                     | 11.83         | 11.83                 | 11.83         |
|   | <b>39.94</b>                              | <b>33.53</b>  | <b>35.98</b>          | <b>27.01</b>  |

- (b) Payments made to employees by way of Loans and Advances in the nature of loan, where no interest is charged or interest is charged at a rate less than the rate prescribed in Section 186 of Companies Act, 2013:

|   |       |       |
|---|-------|-------|
| Outstanding Balance at the year end         | 13.28 | 10.68 |
| Maximum Balance Outstanding during the year | 15.47 | 12.24 |

## 2.14 CURRENT INVESTMENTS

(At Cost or Fair Value, whichever is less)

### Other Investments

|   |        |          |
|---|--------|----------|
| Investments in Units of Debt Schemes of various Mutual Funds<br>395,405,321 units (Previous Year 798,745,551 units) | 819.20 | 1,183.54 |
|---|--------|----------|

### Fixed Deposit with Corporates

|               |                 |
|---------------|-----------------|
| 45.00         | -               |
| <b>864.20</b> | <b>1,183.54</b> |

### 2.14.1 Aggregate Book Value of :

|                      |               |                 |
|----------------------|---------------|-----------------|
| Quoted Investments   | 764.20        | 1,087.54        |
| Unquoted Investments | 100.00        | 96.00           |
|                      | <b>864.20</b> | <b>1,183.54</b> |

### 2.14.2 Aggregate Market Value of Quoted Investments

|  |   |   |
|--|---|---|
| Aggregate provision for diminution in value of investments | - | - |
|--|---|---|

### 2.14.3 Current Investments includes current portion of Long-Term Investments at Cost as defined in Accounting Standard 13: Accounting for Investments.

|       |        |
|-------|--------|
| 95.00 | 484.02 |
|-------|--------|

₹ in Crore

|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|--|------------------------------|------------------------------|
|--|------------------------------|------------------------------|

**2.15 INVENTORIES**

(Valued at lower of cost and net realisable value, unless otherwise stated)

|  |                 |          |
|--|-----------------|----------|
| Raw Materials {includes in transit ₹ 306.22 Crore (Previous Year ₹ 294.65 Crore)}      | <b>848.29</b>   | 817.60   |
| Work-in-Progress   | <b>25.57</b>    | 20.38    |
| Finished Goods {includes in transit ₹ 64.34 Crore (Previous Year ₹ 12.96 Crore)}       | <b>356.39</b>   | 206.44   |
| Stores and Spare parts {includes in transit ₹ 0.01 Crore (Previous Year ₹ 1.58 Crore)} | <b>61.52</b>    | 45.99    |
| Fuel {includes in transit ₹ 12.95 Crore (Previous Year ₹ 9.29 Crore)}                  | <b>113.33</b>   | 108.96   |
| By-Products  | <b>16.62</b>    | 2.26     |
| Waste/Scrap (valued at Net Realisable Value)   | <b>4.99</b>     | 4.39     |
| Others (mainly Packing Materials)  | <b>6.44</b>     | 6.25     |
|  | <b>1,433.15</b> | 1,212.27 |

**2.16 TRADE RECEIVABLES\***

(Unsecured, unless otherwise stated)

**Outstanding for a period exceeding six months from the date they are due for payment**

|   |               |        |
|---|---------------|--------|
| Considered Good   | <b>3.81</b>   | 1.06   |
| Doubtful  | <b>1.50</b>   | 1.09   |
|   | <b>5.31</b>   | 2.15   |
| Less: Provision for doubtful debts                                  | <b>1.50</b>   | 1.09   |
|   | <b>3.81</b>   | 1.06   |
| <b>Others</b>   | <b>683.68</b> | 612.73 |
| Considered Good {secured ₹ 4.29 Crore (Previous Year ₹ 2.83 Crore)} | <b>687.49</b> | 613.79 |
|   | <b>235.51</b> | 340.97 |

\*Includes amount in respect of which the Company holds  
Deposits and Letters of Credit/Guarantees from Banks

**2.17 CASH AND CASH EQUIVALENTS****Cash and Cash Equivalents**

|   |              |      |
|---|--------------|------|
| Balances with Banks                                       |              |      |
| In Current Account  | <b>12.39</b> | 7.45 |
| In Deposit Account- Original Maturity of 3 Months or Less | <b>25.00</b> | -    |
| Cash on Hand  | <b>0.09</b>  | 0.09 |
|   | <b>37.48</b> | 7.54 |

**Bank Balances**

|  |              |       |
|--|--------------|-------|
| In EEFC Account                        | <b>5.07</b>  | 8.09  |
| Earmarked Balance with Banks           |              |       |
| In Government Treasury Savings Account | <b>0.01</b>  | 0.01  |
| Unpaid Dividend                        | <b>10.37</b> | 10.40 |
| Bank Deposit*                          | <b>0.26</b>  | 0.26  |
|  | <b>15.71</b> | 18.76 |
|  | <b>53.19</b> | 26.30 |

\* Includes

|   |             |      |
|---|-------------|------|
| Lodged as Security with Government Department | <b>0.12</b> | 0.08 |
| Interest Accrued                              | <b>0.01</b> | 0.04 |

₹ in Crore

|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|--|------------------------------|------------------------------|
|--|------------------------------|------------------------------|

## 2.18 SHORT-TERM LOANS AND ADVANCES

|  |               |               |
|--|---------------|---------------|
| Unsecured (Considered Good)  |               |               |
| Security Deposits*   | 41.52         | 42.19         |
| Loans and Advances to Related Parties (Note 4.5.3)                         | 16.54         | 6.12          |
| Balances with Government Authorities                                       | 280.69        | 305.52        |
| Deposits with Bodies Corporates  | 30.00         | -             |
| Advance Tax (Net of Provision for Tax)                                     | 81.02         | 58.67         |
| Other Short-Term Loans and Advances (includes Advances to Suppliers, etc.) | 193.19        | 138.99        |
|  | <b>642.96</b> | <b>551.49</b> |

\* Includes deposit of ₹ 9.49 Crore (Previous Year ₹ 9.49 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.

## 2.19 OTHER CURRENT ASSETS

|   |              |              |
|---|--------------|--------------|
| Interest Accrued on Investments   | 4.84         | 4.80         |
| Assets held for Disposal  | 5.29         | -            |
| Others (includes Insurance Claims, Export Incentives Receivables, etc.) | 26.00        | 31.57        |
|   | <b>36.13</b> | <b>36.37</b> |

## 3.1 SALE OF PRODUCTS AND SERVICES (GROSS) (Note 4.4.1)

|                  |                 |                 |
|------------------|-----------------|-----------------|
| Sale of Products | 6,817.23        | 6,033.83        |
| Sale of Services | 1.92            | 1.35            |
|                  | <b>6,819.15</b> | <b>6,035.18</b> |

## 3.2 OTHER OPERATING REVENUES

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Export Incentives                  | 33.36        | 30.17        |
| Insurance Claims                   | -            | 0.15         |
| Sundry Balances Written Back (Net) | 1.52         | 0.02         |
| Rent Received                      | 3.17         | 2.59         |
| Scrap Sales (Net)                  | 29.83        | 25.78        |
| Others                             | 12.36        | 6.18         |
|                                    | <b>80.24</b> | <b>64.89</b> |

## 3.3 OTHER INCOME

### Interest Income on:

|  |       |       |
|--|-------|-------|
| Long-Term Investments- Government and Other Securities | 13.04 | 14.37 |
| Bank and Other Accounts                                | 40.80 | 67.63 |

### Dividend Income from:

|                                    |        |        |
|------------------------------------|--------|--------|
| Subsidiary Companies               | 148.80 | 148.80 |
| Long-Term Investments - Trade      | 0.99   | 4.18   |
| Long-Term Investments - Others     | 22.95  | 22.15  |
| Current Investments - Mutual Funds | 9.92   | 10.47  |



|  | ₹ in Crore      |                 |
|--|-----------------|-----------------|
|  | Current Year    | Previous Year   |
| <b>Profit on Sale of:</b>  |                 |                 |
| Long-Term Investments (Net)  | 89.86           | 93.06           |
| Current Investments (Net)  | 10.54           | 10.77           |
| Fixed Assets (Net)   | 1.75            | -               |
| Exchange Rate Difference (Net)   | -               | 7.93            |
| Other Non - operating Income   | 9.42            | 5.43            |
|  | <u>348.07</u>   | <u>384.79</u>   |
| <b>3.4 COST OF MATERIALS CONSUMED</b>  |                 |                 |
| Opening Stock  | 817.60          | 421.36          |
| Add: Purchases and Incidental Expenses   | 3,658.29        | 3,381.31        |
| Less: Sales  | 5.27            | 2.46            |
| Less: Closing Stock  | 848.29          | 817.60          |
|  | <u>3,622.33</u> | <u>2,982.61</u> |
| <b>3.4.1 Details of Raw Materials Consumed:</b>  |                 |                 |
| Dissolving Pulp  | 2,003.94        | 1,792.77        |
| Sulphur  | 203.40          | 135.77          |
| Pulp Wood  | 229.83          | 226.74          |
| Caustic Soda   | 171.73          | 265.50          |
| Salt   | 121.41          | 92.47           |
| ECH  | 122.69          | 19.98           |
| Bisphenol  | 156.71          | 27.31           |
| Paraffin   | 95.93           | 64.24           |
| Others   | 516.69          | 357.83          |
|  | <u>3,622.33</u> | <u>2,982.61</u> |
| <b>3.5 PURCHASES OF STOCK-IN-TRADE</b>   |                 |                 |
| Chemicals  | 21.10           | 6.80            |
|  | <u>21.10</u>    | <u>6.80</u>     |
| <b>3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b> |                 |                 |
| <b>Opening Stock</b>   |                 |                 |
| Finished Goods   | 206.44          | 220.87          |
| By-Products  | 2.26            | 1.19            |
| Work-in-progress   | 20.38           | 22.39           |
| Waste/Scrap  | 4.39            | 4.56            |
|  | <u>233.47</u>   | <u>249.01</u>   |
| <b>Less: Closing Stock</b>   |                 |                 |
| Finished Goods   | 356.39          | 206.44          |
| By-Products  | 16.62           | 2.26            |
| Work-in-progress   | 25.57           | 20.38           |
| Waste/Scrap  | 4.99            | 4.39            |
|  | <u>403.57</u>   | <u>233.47</u>   |
| <b>(Increase)/Decrease in Stocks</b>   | <b>(170.10)</b> | 15.54           |
| Less : (Increase)/Decrease in Excise Duty on Stocks                                      | (15.98)         | 8.24            |
| Less : Stock of Trial Run Production   | (89.08)         | 3.25            |
|  | <u>(65.04)</u>  | <u>4.05</u>     |

₹ in Crore

|   | Current<br>Year | Previous<br>Year |
|---|-----------------|------------------|
| <b>3.7 EMPLOYEE BENEFITS EXPENSE</b>  |                 |                  |
| Salaries and Wages  | <b>427.86</b>   | 332.18           |
| Contribution to Provident and Other Funds (Note 4.6.2)  | <b>26.53</b>    | 23.77            |
| Staff Welfare Expenses  | <b>25.11</b>    | 21.49            |
| Expenses on Employee Stock Option Scheme (Note 2.1.8)   | <b>2.75</b>     | 1.36             |
|   | <b>482.25</b>   | 378.80           |
| <b>3.7.1</b> Expenses on Employee Stock Option Scheme are net of recovery from a Subsidiary company against options granted to the employees of the Subsidiary. | <b>0.11</b>     | 0.07             |
| <b>3.8 OTHER EXPENSES</b>   |                 |                  |
| <b>3.8.1 Manufacturing Expenses</b>   |                 |                  |
| Consumption of Stores, Spare Parts and Components, and Incidental Expenses  | <b>116.65</b>   | 139.71           |
| Consumption of Packing Materials  | <b>67.10</b>    | 48.64            |
| Processing Charges  | <b>10.13</b>    | 7.24             |
| Repairs to Buildings  | <b>18.84</b>    | 18.93            |
| Repairs to Machinery  | <b>48.73</b>    | 47.92            |
| Repairs to Other Assets   | <b>14.86</b>    | 11.25            |
| <b>3.8.2 Administration, Selling and Distribution Expenses</b>  |                 |                  |
| Advertisement   | <b>6.33</b>     | 4.67             |
| Discounts, Sales Promotion and Other Selling Expenses   | <b>32.69</b>    | 36.23            |
| Provision for Bad and Doubtful Debts (Net)  | <b>1.17</b>     | 0.12             |
| Insurance   | <b>10.47</b>    | 8.38             |
| Rent (including Lease Rent) (Note 4.8.5)  | <b>11.88</b>    | 8.12             |
| Rates and Taxes   | <b>3.20</b>     | 3.82             |
| Research Contribution and Expenses  | <b>22.79</b>    | 23.60            |
| Donations (Note 3.11)   | <b>16.91</b>    | 20.31            |
| Directors' Fees   | <b>0.24</b>     | 0.09             |
| Directors' Commission   | <b>4.41</b>     | 9.00             |
| Exchange Rate Difference (Net)  | <b>5.82</b>     | -                |
| Loss on Sale of Fixed Assets (Net)  | -               | 0.09             |
| Miscellaneous Expenses  | <b>107.60</b>   | 92.80            |
|   | <b>499.82</b>   | 480.92           |

|  | ₹ in Crore   |               |
|--|--------------|---------------|
|  | Current Year | Previous Year |
| <b>3.8.3 Auditors' Remuneration (excluding Service Tax) Charged to Statement of Profit and Loss</b>  |              |               |
| <b>Payments to Statutory Auditors:</b>   |              |               |
| Audit Fee  | 0.58         | 0.51          |
| Tax Audit Fee  | 0.05         | 0.04          |
| Limited Review Fee   | 0.26         | 0.22          |
| Fees for Other Services  | 0.12         | 0.04          |
| Reimbursement of Expenses  | 0.03         | 0.02          |
| <b>Payments to Branch Auditors:</b>  |              |               |
| Audit Fee  | 0.01         | 0.01          |
| Tax Audit Fee * ₹ 35,000 (Previous Year ₹ 30,000)  | *            | *             |
| Fees for Other Services ** ₹ 20,000 (Previous Year ₹ 20,000)   | **           | **            |
| Reimbursement of Expenses *** ₹ 24,394 (Previous Year ₹ 13,430)  | ***          | ***           |
| <b>Payments to Cost Auditors:</b>  |              |               |
| Audit Fee  | 0.02         | 0.02          |
| Fees for Other Services # ₹ 17,500 (Previous Year ₹ 1,500)   | #            | #             |
| Reimbursement of Expenses ## ₹ 67,865 (Previous Year ₹ 45,695)   | ##           | ##            |
| <b>3.9 FINANCE COSTS</b>   |              |               |
| Interest Expense#  | 63.62        | 71.43         |
| Other Borrowing Costs  | -            | 4.27          |
| Exchange (Gain)/Loss on Foreign Currency Borrowing (Net)   | 1.99         | 6.07          |
|  | 65.61        | 81.77         |
| Less: Capitalised  | 26.28        | 40.25         |
|  | 39.33        | 41.52         |
| # Net of Interest Subsidy from Government ₹ 52.74 Crore (Previous Year ₹ 55.15 Crore)  |              |               |
| <b>3.10 Revenue Expenditure on Research and Development included in different heads of expenses in the Statement of Profit and Loss</b>  | 29.96        | 18.81         |
| <b>3.11 Donations include contribution of ₹ 17 Crore (Previous Year ₹ 20 Crore) to General Electoral Trust (the 'Trust'), set up by the Company (along with other group companies). As per governing charter of the Trust, these contributions are used for contribution for Political purposes, as may be decided by the Board of Independent Trustees of the Trust. During the year, company has received refund of ₹ 0.09 Crore from General Electoral Trust, being undistributed balance related to earlier years.</b> |              |               |
| <b>3.12 Earnings Per Share (EPS):</b>  |              |               |
| <b>Net Profit for the Year Attributable to Equity Shareholders (₹ in Crore)</b>  | 529.90       | 895.99        |
| <b>Basic EPS:</b>  |              |               |
| Weighted-Average Number of Equity Shares Outstanding (Nos.)  | 91,856,386   | 91,818,912    |
| <b>Basic EPS (₹)</b>   | 57.69        | 97.58         |
| <b>Diluted EPS:</b>  |              |               |
| Weighted-Average Number of Equity Shares Outstanding (Nos.)  | 91,856,386   | 91,818,912    |
| <b>Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)</b>   | 97,471       | 43,505        |
| Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)   | 91,953,857   | 91,862,417    |
| <b>Diluted EPS (₹)</b>   | 57.63        | 97.54         |

₹ in Crore

|  | Current<br>Year | Previous<br>Year |
|--|-----------------|------------------|
|--|-----------------|------------------|

#### 4.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

##### 4.1.1 Claims/Disputed Liabilities not acknowledged as Debts:

|     |  |        |        |
|-----|--|--------|--------|
| (a) | Custom Duty  | 11.02  | 7.06   |
| (b) | Sales Tax/Purchases Tax/VAT  | 0.27   | 0.10   |
| (c) | Excise Duty/Cenvat Credit/Service Tax  | 86.25  | 83.16  |
| (d) | Water Cess   | -      | 17.69  |
| (e) | Income Tax   | 156.88 | 144.36 |
| (f) | Various claims in respect of disputed liabilities of discontinued business in earlier year | 34.26  | 34.26  |
| (g) | Others   | 32.98  | 26.95  |

##### 4.1.2 Out of the 4.1.1 above, disputes pending with revenue and other government authorities challenged/appealed by the Company are:

|     |   |        |        |
|-----|---|--------|--------|
| (a) | Income tax demand raised on completion of assessment for Financial Year 2009-10   | 156.88 | 144.36 |
| (b) | Excise Duty demanded against Cenvat credit availed in respect of electricity not used for manufacturing   | 58.91  | 54.82  |
| (c) | Transfer of Cenvat credit on merger of excise registration of two units disputed by Excise Department   | 21.97  | 19.44  |
| (d) | Custom classification dispute on import of coal   | 9.29   | 5.11   |
| (e) | Water charges for water not made available as per agreement   | -      | 17.69  |
| (f) | Penalty for not utilising the land within the time limit prescribed as per the sanction document, utilisation of which is delayed due to non-fulfillment of condition by Gujarat Industrial Development Corporation | 7.93   | 6.96   |
| (g) | Claims arising from disputes of vendors / contractors   | 7.60   | 8.26   |

Cash outflows for the above are determinable only on receipt of judgments pending with various authorities/Courts/Tribunals etc.

##### 4.1.3 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 | 12.41 | 37.48 |
| (b) | Bills discounted with banks fully covered by buyers' letters of credit   | -     | 7.37  |

#### 4.2 CAPITAL COMMITMENTS

|   |        |        |
|---|--------|--------|
| Estimated amount of contracts remaining to be executed on capital account and not provided {Net of Advances paid of ₹ 71.76 Crore (Previous Year ₹ 139.93 Crore)} | 154.87 | 200.01 |
|---|--------|--------|

₹ in Crore

Current  
Year Previous  
Year**4.3 Details of Company's interest in its Joint Ventures, having Joint Control, as per the requirement of AS-27 on Financial Reporting of Interests in Joint Ventures is as under:**

| Joint Venture (Ownership Interest)                               | Country of Incorporation |                     | Assets        | Liabilities   | Income        | Expenses      | Contingent Liabilities |
|--|--------------------------|---------------------|---------------|---------------|---------------|---------------|------------------------|
| Birla Jingwei Fibre Company Limited (26.63%) (Previous year 31%) | China                    | <b>Current Year</b> | <b>198.28</b> | <b>169.24</b> | <b>263.49</b> | <b>286.70</b> | -                      |
|  |                          | Previous Year       | 247.47        | 217.84        | 253.13        | 287.70        | -                      |
| Birla Lao Pulp & Plantations Company Limited (40%)               | Laos                     | <b>Current Year</b> | <b>102.88</b> | <b>0.23</b>   | <b>0.08</b>   | <b>1.42</b>   | -                      |
|  |                          | Previous Year       | 95.43         | 0.22          | 0.24          | 3.25          | -                      |
| AV Cell Inc. (45%)   | Canada                   | <b>Current Year</b> | <b>319.26</b> | <b>128.36</b> | <b>304.99</b> | <b>312.71</b> | -                      |
|  |                          | Previous Year       | 366.23        | 132.14        | 292.06        | 274.70        | -                      |
| AV Nackawic Inc. (45%)   | Canada                   | <b>Current Year</b> | <b>446.86</b> | <b>304.53</b> | <b>416.15</b> | <b>457.81</b> | <b>1.72</b>            |
|  |                          | Previous Year       | 488.49        | 298.72        | 401.91        | 419.86        | 1.90                   |
| Bhubaneswari Coal Mining Limited (26%)                           | India                    | <b>Current Year</b> | <b>72.34</b>  | <b>30.73</b>  | <b>83.92</b>  | <b>66.94</b>  | -                      |
|  |                          | Previous Year       | 56.61         | 28.59         | 65.46         | 63.38         | -                      |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (33.33%)     | Turkey                   | <b>Current Year</b> | <b>51.60</b>  | <b>0.10</b>   | <b>0.88</b>   | <b>0.15</b>   | -                      |
|  |                          | Previous Year       | 58.14         | 0.02          | 1.08          | 0.05          | -                      |
| AV Terrace Bay Inc. (40%)  | Canada                   | <b>Current Year</b> | <b>224.40</b> | <b>232.43</b> | <b>516.30</b> | <b>542.79</b> | -                      |
|  |                          | Previous Year       | 226.42        | 219.47        | 517.63        | 596.15        | -                      |
| Aditya Group AB (33.33%)   | Sweden                   | <b>Current Year</b> | <b>729.44</b> | <b>366.13</b> | <b>574.47</b> | <b>615.65</b> | -                      |
|  |                          | Previous Year       | 932.03        | 462.20        | 582.34        | 578.87        | 0.09                   |

## 4.4 SEGMENT REPORTING

### 4.4.1 Primary Segment Reporting (by Business Segment)

Primary Segment has been identified based on the nature of products and services, the different risks and returns, and the internal reporting structure. The Company considers Business Segment as the Primary Segment for disclosure. 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                           |

Inter-segment transfers of independent marketable products are at market rates.

Unallocated items include general corporate income, expense, assets and liabilities which are not allocated to any business segment.

₹ in Crore

#### Information about Business Segments for Current Year:

|   | Fibre and Pulp  | Chemicals       | Others       | Eliminations    | Total Company    |
|---|-----------------|-----------------|--------------|-----------------|------------------|
| <b>REVENUE</b>  |                 |                 |              |                 |                  |
| Gross Sales (External)  | 5,332.16        | 1,399.58        | 87.41        | -               | 6,819.15         |
| Gross Sales (Inter-segment)   | 13.73           | 455.84          | -            | (469.57)        | -                |
| <b>Total Gross Sales (Note 3.1)</b>   | <b>5,345.89</b> | <b>1,855.42</b> | <b>87.41</b> | <b>(469.57)</b> | <b>6,819.15</b>  |
| Other Income (including Other Operating Revenues)                             | 88.96           | 28.77           | 1.25         | (5.99)          | 112.99           |
| Unallocated Corporate Other Income  | -               | -               | -            | -               | 315.32           |
| <b>Total Other Income</b>   | <b>88.96</b>    | <b>28.77</b>    | <b>1.25</b>  | <b>(5.99)</b>   | <b>428.31</b>    |
| <b>Total Revenue</b>  | <b>5,434.85</b> | <b>1,884.19</b> | <b>88.66</b> | <b>(475.56)</b> | <b>7,247.46</b>  |
| <b>RESULTS</b>  |                 |                 |              |                 |                  |
| <b>Segment Result (PBIT)</b>  | <b>304.57</b>   | <b>197.62</b>   | <b>3.66</b>  | <b>-</b>        | <b>505.85</b>    |
| Unallocated Corporate Income/(Expenses)                                       |                 |                 |              |                 | 244.64           |
| Finance Costs   |                 |                 |              |                 | (39.33)          |
| <b>Profit Before Exceptional Item and Tax</b>                                 |                 |                 |              |                 | <b>711.16</b>    |
| Exceptional Item  |                 |                 |              |                 | (26.24)          |
| <b>Profit Before Tax</b>  |                 |                 |              |                 | <b>684.92</b>    |
| Current Tax   |                 |                 |              |                 | (109.66)         |
| MAT Credit  |                 |                 |              |                 | 109.66           |
| Provision for Tax of Earlier Years Written Back                               |                 |                 |              |                 | 2.38             |
| Deferred Tax  |                 |                 |              |                 | (157.40)         |
| <b>Profit After Tax</b>   |                 |                 |              |                 | <b>529.90</b>    |
| <b>OTHER INFORMATION</b>  |                 |                 |              |                 |                  |
| <b>Segment Assets</b>   | <b>5,980.33</b> | <b>2,147.95</b> | <b>45.91</b> | <b>-</b>        | <b>8,174.19</b>  |
| Unallocated Corporate Assets  |                 |                 |              |                 | 6,193.02         |
| <b>Total Assets</b>   |                 |                 |              |                 | <b>14,367.21</b> |
| <b>Segment Liabilities</b>  | <b>698.20</b>   | <b>226.35</b>   | <b>14.64</b> | <b>-</b>        | <b>939.19</b>    |
| Unallocated Corporate Liabilities   |                 |                 |              |                 | 2,245.10         |
| <b>Total Liabilities</b>  |                 |                 |              |                 | <b>3,184.29</b>  |
| <b>Capital Expenditure</b>  | <b>339.39</b>   | <b>94.01</b>    | <b>1.30</b>  | <b>-</b>        | <b>434.70</b>    |
| Unallocated Corporate Capital Expenditure                                     |                 |                 |              |                 | 71.70            |
| <b>Total Capital Expenditure</b>  |                 |                 |              |                 | <b>506.40</b>    |
| <b>Depreciation and Amortisation</b>  | <b>160.07</b>   | <b>94.22</b>    | <b>1.52</b>  | <b>-</b>        | <b>255.81</b>    |
| Unallocated Corporate Depreciation and Amortisation                           |                 |                 |              |                 | 6.74             |
| <b>Total Depreciation and Amortisation</b>                                    |                 |                 |              |                 | <b>262.55</b>    |
| <b>Significant Non-Cash Expenses other than Depreciation and Amortisation</b> |                 |                 |              |                 | <b>28.99</b>     |



₹ in Crore

## Information about Business Segments for Previous Year:

|   | Fibre and Pulp  | Chemicals       | Others       | Eliminations    | Total Company    |
|---|-----------------|-----------------|--------------|-----------------|------------------|
| <b>REVENUE</b>  |                 |                 |              |                 |                  |
| Gross Sales (External)  | 5,037.18        | 904.19          | 93.81        | -               | 6,035.18         |
| Gross Sales (Inter-segment)   | 18.31           | 282.11          | -            | (300.42)        | -                |
| <b>Total Gross Sales (Note 3.1)</b>   | <b>5,055.49</b> | <b>1,186.30</b> | <b>93.81</b> | <b>(300.42)</b> | <b>6,035.18</b>  |
| Other Income (including Other Operating Revenues)                             | 96.83           | 9.96            | 1.13         | (7.40)          | 100.52           |
| Unallocated Corporate Other Income  | -               | -               | -            | -               | 349.16           |
| <b>Total Other Income</b>   | <b>96.83</b>    | <b>9.96</b>     | <b>1.13</b>  | <b>(7.40)</b>   | <b>449.68</b>    |
| <b>Total Revenue</b>  | <b>5,152.32</b> | <b>1,196.26</b> | <b>94.94</b> | <b>(307.82)</b> | <b>6,484.86</b>  |
| <b>RESULTS</b>  |                 |                 |              |                 |                  |
| <b>Segment Results (PBIT)</b>   | <b>573.96</b>   | <b>160.57</b>   | <b>1.81</b>  | <b>-</b>        | <b>736.34</b>    |
| Unallocated Corporate Income/(Expenses)                                       |                 |                 |              |                 | 290.17           |
| Finance Costs   |                 |                 |              |                 | (41.52)          |
| <b>Profit Before Tax</b>  |                 |                 |              |                 | <b>984.99</b>    |
| Current Tax   |                 |                 |              |                 | (166.51)         |
| MAT Credit  |                 |                 |              |                 | 166.51           |
| Provision for Tax of Earlier Years Written Back                               |                 |                 |              |                 | 29.09            |
| Deferred Tax  |                 |                 |              |                 | (118.09)         |
| <b>Profit After Tax</b>   |                 |                 |              |                 | <b>895.99</b>    |
| <b>OTHER INFORMATION</b>  |                 |                 |              |                 |                  |
| <b>Segment Assets</b>   | <b>5,585.11</b> | <b>2,076.05</b> | <b>51.39</b> | <b>-</b>        | <b>7,712.55</b>  |
| Unallocated Corporate Assets  |                 |                 |              |                 | 6,165.10         |
| <b>Total Assets</b>   |                 |                 |              |                 | <b>13,877.65</b> |
| <b>Segment Liabilities</b>  | <b>541.65</b>   | <b>187.80</b>   | <b>23.54</b> | <b>-</b>        | <b>752.99</b>    |
| Unallocated Corporate Liabilities   |                 |                 |              |                 | 2,297.08         |
| <b>Total Liabilities</b>  |                 |                 |              |                 | <b>3,050.07</b>  |
| <b>Capital Expenditure</b>  | <b>666.78</b>   | <b>266.12</b>   | <b>1.72</b>  | <b>-</b>        | <b>934.62</b>    |
| Unallocated Corporate Capital Expenditure                                     |                 |                 |              |                 | 18.59            |
| <b>Total Capital Expenditure</b>  |                 |                 |              |                 | <b>953.21</b>    |
| <b>Depreciation and Amortisation</b>  | <b>150.36</b>   | <b>64.82</b>    | <b>1.69</b>  | <b>-</b>        | <b>216.87</b>    |
| Unallocated Corporate Depreciation and Amortisation                           |                 |                 |              |                 | 2.74             |
| <b>Total Depreciation and Amortisation</b>                                    |                 |                 |              |                 | <b>219.61</b>    |
| <b>Significant Non-Cash Expenses other than Depreciation and Amortisation</b> |                 |                 |              |                 | <b>1.36</b>      |

## 4.4.2 Secondary Segment Reporting (by Geographical Segment):

The Company's operating facilities are located in India.

|                                      | Current Year    | Previous Year |
|--------------------------------------|-----------------|---------------|
| <b>Segment Revenue (Gross Sales)</b> |                 |               |
| India                                | <b>5,252.69</b> | 4,493.26      |
| Rest of the World                    | <b>1,566.46</b> | 1,541.92      |
| <b>Total</b>                         | <b>6,819.15</b> | 6,035.18      |
| <b>Segment Assets</b>                |                 |               |
| India                                | <b>7,898.84</b> | 7,487.30      |
| Rest of the World                    | <b>275.35</b>   | 225.25        |
| <b>Total</b>                         | <b>8,174.19</b> | 7,712.55      |
| <b>Capital Expenditure</b>           |                 |               |
| India                                | <b>434.70</b>   | 934.62        |
| Rest of the World                    | -               | -             |
| <b>Total</b>                         | <b>434.70</b>   | 934.62        |

## 4.5 RELATED PARTY TRANSACTIONS

### 4.5.1 Parties where control exists:

| Parties   | Relationship            |
|---|-------------------------|
| 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 Power Ventures Limited (upto 6th May, 2014)            | Wholly Owned Subsidiary |
| UltraTech Cement Limited  | Subsidiary              |
| UltraTech Cement Lanka Private Limited, Sri Lanka                   | Subsidiary's Subsidiary |
| Dakshin Cement Limited  | Subsidiary's Subsidiary |
| Harish Cement Limited   | Subsidiary's Subsidiary |
| UltraTech Cement Middle East Investment 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 W.L.L., Bahrain                              | Subsidiary's Subsidiary |
| Emirates Power Company Ltd., Bangladesh                             | Subsidiary's Subsidiary |
| Emirates Cement Bangladesh Ltd., 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 Investment 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 Limestone Company Private Limited (w.e.f. 3rd April, 2013) | Subsidiary's Subsidiary |

### 4.5.2 Other Related Parties with whom transactions have taken place during the year:

| Parties   | Relationship                               |
|---|--|
| AV Cell Inc., Canada                                      | Joint Venture                              |
| AV Nackawic 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 Science & Technology Company Private Limited | Associate                                  |
| Idea Cellular Limited                                     | Associate                                  |
| Shri K. K. Maheshwari, Managing Director                  | Key Management Personnel (KMP)             |
| Shri Adesh Gupta, Whole-time Director & CFO               | Key Management Personnel (KMP)             |
| Smt. Usha Gupta   | Relative of KMP (Wife of Shri Adesh Gupta) |

|   |               | ₹ in Crore    |
|---|---------------|---------------|
| Nature of Transactions  | Current Year  | Previous Year |
| <b>4.5.3 Disclosure of Related Party Transactions:</b>  |               |               |
| <b>Nature of Transactions</b>   |               |               |
| <b>Sale of Products and Services:</b>   |               |               |
| Grasim Bhiwani Textiles Limited   | 34.48         | 34.60         |
| UltraTech Cement Limited  | 0.06          | 0.15          |
| Birla Jingwei Fibres Company Limited  | 106.97        | 52.68         |
| <b>Total</b>  | <b>141.51</b> | <b>87.43</b>  |
| <b>Interest and Other Operating Income:</b>   |               |               |
| Grasim Bhiwani Textiles Limited   | 2.22          | 0.28          |
| UltraTech Cement Limited  | 2.76          | 2.30          |
| AV Cell, Inc.   | 1.98          | 2.19          |
| Aditya Birla Science & Technology Company Private Limited   | 1.09          | 0.89          |
| Sun God Trading and Investments Limited * ₹ 14,130  | *             | -             |
| Idea Cellular Limited   | 0.02          | -             |
| <b>Total</b>  | <b>8.07</b>   | <b>5.66</b>   |
| <b>Dividend Received:</b>   |               |               |
| UltraTech Cement Limited  | 148.80        | 148.80        |
| Idea Cellular Limited   | 6.84          | 5.13          |
| Sun God Trading and Investments Limited \$ ₹ 1500 (# Previous year ₹ 28,125)  | \$            | #             |
| <b>Total</b>  | <b>155.64</b> | <b>153.93</b> |
| Sale of Mutual Fund units to Samruddhi Swastik Trading and Investments Limited  | 5.08          | -             |
| Recovery against remuneration paid to Whole-time Director of Grasim Bhiwani Textile Limited (Wholly Owned Subsidiary) | 1.20          | -             |
| <b>Purchases of Goods/Payment of Other Services (Net of Cenvat Credit, if available)</b>                              |               |               |
| Grasim Bhiwani Textiles Limited (# Previous year ₹ 8,645)   | 0.37          | #             |
| UltraTech Cement Limited  | 2.30          | 1.72          |
| AV Cell, Inc.   | 249.38        | 230.86        |
| AV Nackawic, Inc.   | 256.04        | 210.27        |
| Aditya Group AB   | 398.48        | 497.16        |
| Aditya Birla Science & Technology Company Private Limited   | 22.87         | 21.35         |
| Idea Cellular Limited   | 0.89          | 0.60          |
| Smt. Usha Gupta   | 0.04          | 0.04          |
| <b>Total</b>  | <b>930.37</b> | <b>973.62</b> |
| <b>Managerial Remuneration Paid</b>   |               |               |
| Shri K. K. Maheshwari, Managing Director  | 8.05          | 8.35          |
| Shri Adesh Gupta, Whole-time Director & CFO   | 2.85          | 3.27          |
| <b>Total</b>  | <b>10.90</b>  | <b>11.62</b>  |
| Payment of Managerial Remuneration of Grasim Bhiwani Textiles Limited   | -             | 2.51          |
| <b>Finance Provided:</b>  |               |               |
| Samruddhi Swastik Trading and Investments Limited   | 0.16          | 15.64         |
| Grasim Bhiwani Textiles Limited   | 73.60         | 95.61         |
| Sun God Trading and Investments Limited   | 0.07          | -             |
| <b>Total</b>  | <b>73.83</b>  | <b>112.78</b> |

₹ in Crore

| Nature of Transactions  | Current Year  | Previous Year |
|---|---------------|---------------|
| <b>Repayment against Finance Provided:</b>                      |               |               |
| Grasim Bhiwani Textiles Limited                                 | 64.63         | 102.12        |
| Aditya Birla Science & Technology Company Private Limited       | -             | 0.01          |
| Samruddhi Swastik Trading and Investments Limited               | 0.16          | 15.65         |
| Sun God Trading and Investments Limited                         | 0.07          | -             |
| <b>Total</b>  | <b>64.86</b>  | <b>115.77</b> |
| <b>Investment in Equity Shares/Debentures/Preference Shares</b> |               |               |
| Aditya Group AB   | 49.25         | -             |
| Birla Lao Pulp & Plantation Company Limited                     | 5.13          | 7.71          |
| Sun God Trading and Investments Limited * ₹ (10,000)            | *             | -             |
| AV Terrace Bay Inc.   | 11.01         | 46.52         |
| <b>Total</b>  | <b>65.39</b>  | <b>54.23</b>  |
| <b>Purchases of Fixed Assets:</b>                               |               |               |
| Aditya Birla Science & Technology Company Private Limited       | 0.14          | -             |
| UltraTech Cement Limited  | 6.74          | 22.11         |
| <b>Total</b>  | <b>6.88</b>   | <b>22.11</b>  |
| <b>Outstanding Balances:</b>                                    |               |               |
| <b>Trade Payables:</b>  |               |               |
| Grasim Bhiwani Textiles Limited                                 | 0.05          | 0.04          |
| UltraTech Cement Limited  | 0.02          | -             |
| AV Cell, Inc.   | 34.67         | 11.40         |
| AV Nackawic, Inc.   | 41.80         | 18.68         |
| Aditya Group AB   | 31.04         | 55.87         |
| Aditya Birla Science & Technology Company Private Limited       | 10.22         | 1.44          |
| <b>Total</b>  | <b>117.80</b> | <b>87.43</b>  |
| <b>Other Current Liabilities:</b>                               |               |               |
| Grasim Bhiwani Textiles Limited                                 | 2.75          | 2.00          |
| UltraTech Cement Limited  | 0.23          | 0.36          |
| Aditya Birla Science & Technology Company Private Limited       | 0.25          | -             |
| <b>Total</b>  | <b>3.23</b>   | <b>2.36</b>   |
| <b>Trade Receivables:</b>                                       |               |               |
| UltraTech Cement Limited  | 0.07          | 0.03          |
| Grasim Bhiwani Textiles Limited                                 | 4.71          | 1.57          |
| Birla Jingwei Fibres Company Limited                            | 9.57          | 17.63         |
| <b>Total</b>  | <b>14.35</b>  | <b>19.23</b>  |
| <b>Long-Term Loans and Advances :</b>                           |               |               |
| Grasim Bhiwani Textiles Limited                                 | 9.11          | 11.98         |
| AV Cell, Inc.   | 33.10         | 36.63         |
| Aditya Birla Science & Technology Company Private Limited       | 11.83         | 10.43         |
| Smt. Usha Gupta   | -             | 1.50          |
| <b>Total</b>  | <b>54.04</b>  | <b>60.54</b>  |
| <b>Short-Term Loans and Advances :</b>                          |               |               |
| UltraTech Cement Limited  | -             | 1.53          |
| Grasim Bhiwani Textiles Limited                                 | 15.04         | 3.20          |
| Aditya Birla Science & Technology Company Private Limited       | -             | 1.39          |
| Smt. Usha Gupta   | 1.50          | -             |
| <b>Total</b>  | <b>16.54</b>  | <b>6.12</b>   |
| <b>Other Current Asset:</b>                                     |               |               |
| AV Terrace Bay Inc.   | -             | 0.01          |
| <b>Total</b>  | <b>-</b>      | <b>0.01</b>   |

**4.6 RETIREMENT BENEFITS****4.6.1 Defined Benefit Plans as per Actuarial Valuation:****4.6.1.1 Gratuity and Pension:**

| ₹ in Crore   |                          |                      |                     |                      |
|--|--------------------------|----------------------|---------------------|----------------------|
|  | <b>Gratuity (Funded)</b> |                      | <b>Pension</b>      |                      |
|  | <b>Current Year</b>      | <b>Previous Year</b> | <b>Current Year</b> | <b>Previous Year</b> |
| (i) <b>Reconciliation of Present Value of the Obligation:</b>  |                          |                      |                     |                      |
| Opening Defined Benefit Obligation   | 155.95                   | 156.77               | 8.85                | 9.46                 |
| Adjustment of:   |                          |                      |                     |                      |
| Current Service Cost   | 7.89                     | 7.97                 |                     |                      |
| Interest Cost  | 13.64                    | 12.42                | 0.76                | 0.72                 |
| Actuarial Loss/(Gain)  | 25.72                    | (9.73)               | 0.45                | (0.12)               |
| Benefits Paid  | (17.74)                  | (11.48)              | (1.18)              | (1.21)               |
| <b>Closing Defined Benefit Obligation</b>  | <b>185.46</b>            | <b>155.95</b>        | <b>8.88</b>         | <b>8.85</b>          |
| (ii) <b>Reconciliation of Fair Value of the Plan Assets:</b>   |                          |                      |                     |                      |
| Opening Fair Value of the Plan Assets  | 158.43                   | 156.76               | -                   | -                    |
| Adjustment of:   |                          |                      |                     |                      |
| Expected Return on Plan Assets   | 11.12                    | 11.11                | -                   | -                    |
| Actuarial Gain/(Loss)  | 8.64                     | 2.03                 | -                   | -                    |
| Contributions by the Employer  | 25.01                    | 0.01                 | 1.18                | 1.21                 |
| Benefits Paid  | (17.74)                  | (11.48)              | (1.18)              | (1.21)               |
| <b>Closing Fair Value of the Plan Assets</b>   | <b>185.46</b>            | <b>158.43</b>        | <b>-</b>            | <b>-</b>             |
| (iii) <b>Net Liabilities/ (Assets) recognised in the Balance Sheet:</b>  |                          |                      |                     |                      |
| Present Value of the Defined Benefit Obligation at the end of the period   | 185.46                   | 155.95               | 8.88                | 8.85                 |
| Fair Value of Plan Assets  | 185.46                   | 158.43               | -                   | -                    |
| <b>Net Liabilities /(Assets) recognised in the Balance Sheet</b>   | <b>-</b>                 | <b>(2.48)</b>        | <b>8.88</b>         | <b>8.85</b>          |
| (iv) <b>Amount recognized in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:</b> |                          |                      |                     |                      |
| Current Service cost   | 7.89                     | 7.97                 | -                   | -                    |
| Interest on Defined Benefit Obligations  | 13.64                    | 12.42                | 0.76                | 0.72                 |
| Expected Return on Plan Assets   | (11.12)                  | (11.11)              | -                   | -                    |
| Net Actuarial Loss/(Gain) recognised during the year   | 17.09                    | (11.76)              | 0.45                | (0.12)               |
| <b>Net Cost</b>  | <b>27.50</b>             | <b>(2.48)</b>        | <b>1.21</b>         | <b>0.60</b>          |
| Capitalised as Pre-Operative Expenses in respect of Projects and other adjustments                                     | (1.03)                   | -                    | -                   | -                    |
| <b>Net Charge to the Statement of Profit and Loss</b>  | <b>26.47</b>             | <b>(2.48)</b>        | <b>1.21</b>         | <b>0.60</b>          |
| (v) <b>Actual Return on Plan Assets:</b>   |                          |                      |                     |                      |
| Expected Return on Plan Assets   | 11.12                    | 11.11                | N.A.                | N.A.                 |
| Actuarial Gain/(Loss) on Plan Assets   | 8.64                     | 2.03                 | N.A.                | N.A.                 |
| <b>Actual Return on Plan Assets</b>  | <b>19.76</b>             | <b>13.14</b>         | <b>N.A.</b>         | <b>N.A.</b>          |
| (vi) <b>Investment Details of the Plan Assets:</b>   |                          |                      |                     |                      |
| Government of India Securities   | 11%                      | 12%                  | N.A.                | N.A.                 |
| Corporate Bonds  | 9%                       | 12%                  | N.A.                | N.A.                 |
| Insurer Managed Fund   | 75%                      | 73%                  | N.A.                | N.A.                 |
| Others   | 5%                       | 3%                   | N.A.                | N.A.                 |
| <b>Total</b>   | <b>100%</b>              | <b>100%</b>          | <b>N.A.</b>         | <b>N.A.</b>          |

₹ in Crore

|   | Gratuity (Funded)                         |   | Pension                               |                                       |
|---|---|---|---------------------------------------|---------------------------------------|
|   | Current Year                              | Previous Year                             | Current Year                          | Previous Year                         |
| (vii) <b>Principal Actuarial Assumptions at the Balance Sheet Date:</b> |   |   |                                       |                                       |
| Discount Rate   | 7.89%                                     | 9.10%                                     | 7.89%                                 | 9.10%                                 |
| Estimated Rate of Return on Plan Assets                                 | 7.50%                                     | 7.50%                                     | -                                     | -                                     |
| Salary Escalation rate  | 8.00%                                     | 8.00%                                     | -                                     | -                                     |
| Mortality   | Indian Assured (2006-08) mortality tables | Indian Assured (2006-08) mortality tables | PA (90) annuity rates down by 4 years | PA (90) annuity rates down by 4 years |

(viii) **Gratuity:**

The Employees' gratuity fund is managed by a Trust. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Accounting Standard (AS)-15 (Revised) - '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.

(ix) **There are no amounts included in the Fair Value of Plan Assets for:**

- Company's own financial instrument
- Property occupied by or other assets used by the Company

(x) **Basis used to determine Expected Rate of Return on Plan Assets:**

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(xi) **Salary Escalation Rate:**

The estimates of future salary increases are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

(xii) **Experience Adjustments:**

(a) **Gratuity (Funded):**

₹ in Crore

|  | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|--|---------|---------|---------|---------|---------|
| Defined Benefit Obligation               | 185.46  | 155.95  | 156.77  | 140.21  | 122.35  |
| Fair Value of the Plan Assets            | 185.46  | 158.43  | 156.76  | 138.98  | 131.25  |
| Surplus/(Deficit)                        | -       | 2.48    | (0.01)  | (1.23)  | 8.90    |
| Expected Adjustments on Plan Liabilities | 9.72    | 1.52    | 7.82    | 13.45   | 3.25    |
| Expected Adjustments on Plan Assets      | 8.64    | 2.04    | 5.19    | (0.14)  | 0.83    |

(b) **Pension Liabilities:**

|  |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
| Defined Benefit Obligation               | 8.88   | 8.85   | 9.46   | 9.16   | 9.66   |
| Fair Value of the Plan Assets            | -      | -      | -      | -      | -      |
| Surplus/(Deficit)                        | (8.88) | (8.85) | (9.46) | (9.16) | (9.66) |
| Expected Adjustments on Plan Liabilities | (0.01) | 0.27   | 0.36   | 0.11   | 0.35   |

- (xiii) The best estimate of the expected Contribution for the next year amounts to ₹ 10 Crore (Previous Year ₹ 7.50 Crore).



**4.6.1.2 Compensated Absences:**

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 11.91 Crore (Previous Year ₹ 0.38 Crore).

**4.6.2 Defined Contribution Plans:**

Amount recognised as expense and included in the Note 3.7 as "Contribution to Provident and Other Funds" ₹ 26.53 Crore (Previous Year ₹ 23.77 Crore).

**4.7 DISCLOSURE OF DERIVATIVE INSTRUMENTS:****4.7.1 Derivatives for Hedging Currency and Interest Rate, Outstanding are as under:**

in Crore

| Purpose              | Foreign Currency | Amount in Foreign Currency |               | Cross Currency |
|----------------------|------------------|----------------------------|---------------|----------------|
|                      |                  | Current Year               | Previous Year |                |
| a. Forward Contracts | USD              | 4.10                       | 2.76          | INR            |
|                      | EUR              | -                          | 0.08          | USD            |
|                      | JPY              | 2.60                       | -             | USD            |
| Export (Receivables) | EUR              | 1.88                       | 0.44          | USD            |
|                      | USD              | 0.06                       | -             | INR            |
|                      | CNH              | 0.82                       | -             | USD            |

**4.7.2 Un-hedged Foreign Currency Exposure:**

in Crore

| Foreign Currency      | Amount in Foreign Currency |               | Equivalent ₹ |               |
|-----------------------|----------------------------|---------------|--------------|---------------|
|                       | Current Year               | Previous Year | Current Year | Previous Year |
| Exports (Receivables) | USD                        | 2.78          | 2.98         | 174.02        |
|                       | CNH                        | 0.44          | -            | 2.73          |
| Bank Balances         | USD                        | 0.08          | 0.13         | 5.07          |
| Loans (Receivables)   | CAD                        | 0.68          | 0.68         | 33.09         |

₹ in Crore

|  | Current<br>Year | Previous<br>Year |
|--|-----------------|------------------|
|--|-----------------|------------------|

#### 4.8 ADDITIONAL INFORMATION DETAILS

##### 4.8.1 Value of Imports (on CIF basis):

|                                 |          |          |
|---------------------------------|----------|----------|
| (i) Raw Materials               | 2,536.98 | 1,802.63 |
| (ii) Components and Spare Parts | 18.97    | 48.62    |
| (iii) Capital Goods             | 91.75    | 175.94   |
| (iv) Fuels                      | 225.52   | 44.74    |

##### 4.8.2 Value of Imported and Indigenous Raw Materials and Stores and Spares Consumed:

|                            | Current Year        |             | Previous Year       |             |
|----------------------------|---------------------|-------------|---------------------|-------------|
|                            | Value<br>₹ in Crore | %           | Value<br>₹ in Crore | %           |
| <b>Raw Materials*:</b>     |                     |             |                     |             |
| Imported                   | 2,508.96            | 65%         | 1,596.10            | 53%         |
| Indigenous                 | 1,326.26            | 35%         | 1,391.23            | 47%         |
| <b>Total</b>               | <b>3,835.22</b>     | <b>100%</b> | <b>2,987.33</b>     | <b>100%</b> |
| <b>Stores and spares*:</b> |                     |             |                     |             |
| Imported                   | 15.93               | 13%         | 27.48               | 19%         |
| Indigenous                 | 109.25              | 87%         | 120.69              | 81%         |
| <b>Total</b>               | <b>125.18</b>       | <b>100%</b> | <b>148.17</b>       | <b>100%</b> |

\* Includes consumption in Pre-Operative expenses (Note 2.11.7).

##### 4.8.3 Expenditure in Foreign Currency on accrual basis (Gross):

|   |      |      |
|---|------|------|
| Technical Know-how and Services                       | 1.40 | 1.68 |
| Professional and Consultancy Fees                     | 4.15 | 2.68 |
| Finance Cost on Packing Credit Foreign Currency Loans | 0.10 | 0.76 |
| Other   | 8.60 | 9.26 |

##### 4.8.4 Earnings in Foreign Exchange on accrual basis (Gross):

|  |          |          |
|--|----------|----------|
| Export of Goods on FOB basis           | 1,605.41 | 1,500.63 |
| Technical Know-how and Service Charges | 0.13     | 0.32     |
| Interest and Dividend                  | 3.05     | 6.44     |

##### 4.8.5 Assets taken on Operating lease:

|  |       |      |
|--|-------|------|
| 1 Operating Lease payments recognised in the Statement of Profit and Loss                            | 11.88 | 8.12 |
| 2 The total of future minimum lease payments under non-cancellable operating leases are as follows : |       |      |
| For a period not later than one year   | 1.64  | -    |
| For a period later than one year and not later than five years                                       | 5.39  | -    |
| For a period later than five years   | -     | -    |

- 3 General Description of Leasing Agreements:
- (i) Lease Assets: 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

**4.8.6 Amount Remitted during the year in Foreign Currency on account of Dividend:**

|  | <b>Current<br/>Year</b> | Previous<br>Year |
|--|-------------------------|------------------|
| 1 Equity Dividend for the year ended         | <b>31-03-2014</b>       | 31-03-2013       |
| 2 Number of Non-Resident Equity Shareholders | <b>133</b>              | 139              |
| 3 Number of Shares held by them              | <b>26,39,123</b>        | 26,40,265        |
| 4 Amount Remitted as Dividend (₹ in Crore)   | <b>5.54</b>             | 5.94             |

**4.8.7** The Company has spent ₹ 16.71 Cr. on Corporate Social Responsibility Projects/initiatives during the year including ₹ 0.87 Cr. towards capital expenditure.

**4.9** The Board of Directors of the Company at its meeting held on 11th February, 2015 has approved a Scheme of Amalgamation ('the Scheme') for the merger of Aditya Birla Chemicals (India) Limited ('ABCIL') with the Company w.e.f. 1st April 2015 (the appointed date) in terms of the provisions of sections 391 to 394 of the Companies Act, 1956 read with other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

The Scheme will be effective upon obtaining requisite approvals inter alia, approval of shareholders and creditors, sanction of the Scheme of Arrangement by the Hon'ble High Courts, approval of the Competition Commission of India and other regulatory approvals.

On merger of ABCIL with the Company, the shareholders of ABCIL will receive 1 (one) equity share of the Company of face value ₹ 10 each fully paid-up for every 16 (sixteen) equity shares of ABCIL of face value ₹ 10 each fully paid-up.

**4.10** Previous year (Year ended 31st March, 2014) figures have been regrouped/reclassified, wherever necessary, to correspond with the current year (31st March 2015) classification/disclosure.

**4.11** 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.

Signatures to Notes '1' to '4'

For GRASIM INDUSTRIES LIMITED

K. K. Maheshwari  
Managing Director

B. V. Bhargava  
M. L. Apte  
Directors

Adesh Gupta  
Whole-time Director & CFO

Mumbai  
Dated: 2nd May, 2015

Hutokshi Wadia  
Company Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRASIM INDUSTRIES LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **GRASIM INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to Note 4.7.5 to the consolidated financial statements which, describes the uncertainty related to the penalty of ₹ 1,175.49 crores imposed by the Competition Commission of India (CCI) on UltraTech Cement Limited (UTCL), a subsidiary of the Company, along with certain other cement manufacturing companies, for alleged cartelisation, for which no provision has been made based on a legal opinion obtained by UTCL.

Our opinion is not modified in respect of this matter.

**Other Matters**

- (a) The financial statements of seven subsidiaries as considered in the consolidated financial statements, which reflect total assets of ₹ 493.41 crores as at March 31, 2015, total revenues of ₹ 469.08 and net cash outflows amounting to ₹ 7.85 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, and the Group's share of net profit of ₹ 154.21 crores for the year ended March 31, 2015 of an associate, whose financial statements have been audited by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, one of the joint auditors of the Company.
- (b) We did not audit the financial statements sixteen subsidiaries, and seven jointly controlled entities, whose financial statements reflect total assets of ₹ 5,167.52 crores as at March 31, 2015, total revenues of ₹ 3,433.52 crores and net cash inflows amounting to ₹ 89.41 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 0.02 crores for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose reports has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
- (c) We did not audit the financial statements of one subsidiary and three jointly controlled entities, whose financial statements reflect total assets of ₹ 103.69 crores as at March 31, 2015, total revenues of ₹ 0.08 crores and net cash outflows amounting to ₹ 4.69 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled entities, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated 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**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 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 jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Note 4.7 to the consolidated financial statements.
- (ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

**Saira Nainar**  
Partner  
Membership No.: 40081  
Mumbai, 2nd May, 2015

For **G. P. KAPADIA & CO.**  
Chartered Accountants  
(Firm Registration No. 104768W)

**Atul B. Desai**  
Partner  
Membership No.: 30850



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Our reporting on the Order includes eight subsidiary companies, one jointly controlled company and two associate companies incorporated in India, to which the Order is applicable, of which seven subsidiary companies have been audited by M/s. G. P. Kapadia & Co., Chartered Accountants, one of the joint auditors of the Company, one associate company has been audited by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, one of the joint auditors of the Company and one subsidiary company, one jointly controlled company and one associate company have been audited by other auditors and our report in respect of these entities is based solely on the reports of one of the joint auditors / the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of two jointly controlled companies incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements of such entities provided to us by the management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of these entities, since these entities are unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative detail and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion, opinion of one of the joint auditors and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, one of the joint auditors and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India:
  - (a) As explained to us, one of the joint auditors and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - (b) In our opinion, the opinion of one of the joint auditors and the opinion of the other auditors and according to the information and explanations given to us, one of the joint auditors and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion, the opinion of one of the joint auditors and the opinion of the other auditors and according to the information and explanations given to us, one of the joint auditors and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion, the opinion of one of the joint auditors and the opinion of the other auditors and according to the information and explanations given to us, one of the joint auditors and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our, one of the joint auditors' and the other auditors' audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) According to the information and explanations given to us, one of the joint auditors and the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India have not accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.
- (vi) According to the information and explanations given to us, one of the joint auditors and the other auditors, in our

opinion, opinion one of the joint auditors and the opinion of the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. Neither we, nor one of the joint auditors, nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us, one of the joint auditors and the other auditors, in respect of statutory dues of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
  - There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - There are no dues of Wealth Tax which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities. Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

| Nature of Dues | Forum where dispute is pending | Aggregate Amount involved<br>(₹ Crore) in respect of: |   |
|----------------|--------------------------------|---|---|
|                |                                | Holding Company and subsidiaries                      | Associates and jointly controlled company # |
| Income Tax     | High Court                     | 1.14  | 0.17  |
|                | Tribunal                       | -   | 3,124.07                                    |
|                | Appellate Authorities          | 132.92  | 5,322.23                                    |
|                | Assessing Authority            | 0.20  | 0.01  |
| Sales Tax      | Supreme Court                  | 146.12  | -   |
|                | High Court                     | 21.31   | 29.98                                       |
|                | Tribunal                       | 64.50   | 6.20  |
|                | Appellate Authorities          | 135.04  | 2.32  |
|                | Assessing Authority            | 0.77  | 32.26                                       |
| Service Tax    | Supreme Court                  | 17.39   | -   |
|                | High Court                     | 3.25  | 54.63                                       |
|                | Tribunal                       | 62.56   | 70.34                                       |
|                | Appellate Authorities          | 21.06   | 1,530.34                                    |
|                | Assessing Authority            | -   | 22.04                                       |
| Customs Duty   | Supreme Court                  | 0.37  | -   |
|                | High Court                     | 38.84   | -   |
|                | Tribunal                       | 137.84  | 0.71  |
|                | Appellate Authorities          | 9.10  | -   |
|                | Assessing Authority            | 1.00  | -   |
| Excise Duty    | Supreme Court                  | 38.93   | -   |
|                | High Court                     | 44.02   | -   |
|                | Tribunal                       | 430.96  | -   |
|                | Appellate Authorities          | 315.29  | -   |
| VAT            | High Court                     | -   | 394.00                                      |
|                | Assessing Authority            | -   | 0.19  |

| Nature of Dues   | Forum where dispute is pending | Aggregate Amount involved<br>(₹ Crore) in respect of: |  |
|--|--------------------------------|---|--|
|  |                                | Holding Company<br>and subsidiaries                   | Associates and jointly<br>controlled company # |
| Entry Tax  | Supreme Court                  | -   | 4.09   |
|  | High Court                     | 10.44   | 23.81  |
|  | Tribunal                       | -   | 2.22   |
|  | Appellate Authorities          | 0.88  | 2.47   |
|  | Assessing Authority            | -   | 6.67   |
| Cess   | Supreme Court                  | 68.03   | -  |
|  | High Court                     | 4.46  | -  |
|  | Appellate Authorities          | 0.10  | -  |
|  | Assessing Authority            | 2.15  | -  |
| #Note: The amounts and items disclosed above are based on those reported in the respective component auditors' reports and are not adjusted for share of the Holding Company in the associates and jointly controlled company. |                                |   |  |

- (d) The aforesaid entities have been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Group, its associates and jointly controlled entities does not have consolidated accumulated losses at the end of the financial year and the Group, its associates and jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion, opinion of one of the joint auditors and the opinion of the other auditors and according to the information and explanations given to us, one of the joint auditors and the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) According to the information and explanations given to us, the Holding Company has not given guarantees for loans taken by others from banks and financial institutions. In our opinion, opinion of one of the joint auditors and the opinion of the other auditors and according to the information and explanations given to us, one of the joint auditors and the other auditors, the terms and conditions of the guarantees given; wherever, by the subsidiary companies, associate companies and jointly controlled company incorporated in India for loans taken by others outside of the Group, its associates and jointly controlled entities from banks and financial institutions are not, prima facie, prejudicial to the interests of the Group, its associates and jointly controlled entities.
- (xi) In our opinion, opinion of one of the joint auditors and the opinion of the other auditors and according to the information and explanations given to us, one of the joint auditors and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, one of the joint auditors and the other auditors, no fraud by the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India and no material fraud on the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India has been noticed or reported during the year.

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

**Saira Nainar**  
Partner  
Membership No.: 40081  
Mumbai, 2nd May, 2015

For **G. P. KAPADIA & CO.**  
Chartered Accountants  
(Firm Registration No. 104768W)

**Atul B. Desai**  
Partner  
Membership No.: 30850

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

|                                     |      |                              | ₹ in Crore                   |
|-------------------------------------|------|------------------------------|------------------------------|
|                                     | Note | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>EQUITY AND LIABILITIES</b>       |      |                              |                              |
| <b>Shareholders' Funds</b>          |      |                              |                              |
| Share Capital                       | 2.1  | 91.87                        | 91.84                        |
| Share Capital (Other than Equity)   | 2.2  | 59.17                        | 44.55                        |
| Reserves and Surplus                | 2.3  | 22,988.71                    | 21,478.01                    |
|                                     |      | <b>23,139.75</b>             | 21,614.40                    |
| <b>Minority Interest</b>            |      |                              |                              |
|                                     |      | <b>7,681.79</b>              | 6,935.84                     |
| <b>Non-Current Liabilities</b>      |      |                              |                              |
| Long-Term Borrowings                | 2.4  | 6,384.32                     | 7,611.99                     |
| Deferred Tax Liabilities (Net)      | 2.5  | 3,429.06                     | 2,814.94                     |
| Other Long-Term Liabilities         | 2.6  | 38.97                        | 17.81                        |
| Long-Term Provisions                | 2.7  | 257.61                       | 202.43                       |
|                                     |      | <b>10,109.96</b>             | 10,647.17                    |
| <b>Current Liabilities</b>          |      |                              |                              |
| Short-Term Borrowings               | 2.8  | 3,071.39                     | 1,530.02                     |
| Trade Payables                      | 2.9  | 3,719.54                     | 3,249.86                     |
| Other Current Liabilities           | 2.10 | 4,992.43                     | 2,702.02                     |
| Short-Term Provisions               | 2.11 | 1,338.71                     | 1,068.47                     |
|                                     |      | <b>13,122.07</b>             | 8,550.37                     |
| <b>TOTAL</b>                        |      | <b>54,053.57</b>             | 47,747.78                    |
| <b>ASSETS</b>                       |      |                              |                              |
| <b>Non-Current Assets</b>           |      |                              |                              |
| Fixed Assets                        | 2.12 |                              |                              |
| Tangible Assets                     |      | 28,457.68                    | 21,822.17                    |
| Intangible Assets                   |      | 87.44                        | 109.58                       |
| Capital Work-in-Progress            |      | 2,749.75                     | 4,041.66                     |
| Intangible Assets Under Development |      | 4.84                         | 3.19                         |
|                                     |      | <b>31,299.71</b>             | 25,976.60                    |
| Goodwill on Consolidation           | 2.13 | 3,283.40                     | 3,276.82                     |
| Non-Current Investments             | 2.14 | 3,838.97                     | 2,673.28                     |
| Deferred Tax Assets (Net)           | 2.15 | 18.76                        | 11.67                        |
| Long-Term Loans and Advances        | 2.16 | 2,289.55                     | 1,847.08                     |
|                                     |      | <b>40,730.39</b>             | 33,785.45                    |
| <b>Current Assets</b>               |      |                              |                              |
| Current Investments                 | 2.17 | 3,416.32                     | 4,937.53                     |
| Inventories                         | 2.18 | 4,788.45                     | 4,256.50                     |
| Trade Receivables                   | 2.19 | 2,647.37                     | 2,509.15                     |
| Cash and Cash Equivalents           | 2.20 | 461.69                       | 396.69                       |
| Short-Term Loans and Advances       | 2.21 | 1,945.24                     | 1,798.32                     |
| Other Current Assets                | 2.22 | 64.11                        | 64.14                        |
|                                     |      | <b>13,323.18</b>             | 13,962.33                    |
| <b>TOTAL</b>                        |      | <b>54,053.57</b>             | 47,747.78                    |

Significant Accounting Policies 1  
The Accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

For G. P. KAPADIA & CO.  
Chartered Accountants

For GRASIM INDUSTRIES LIMITED

K. K. Maheshwari  
Managing Director

B. V. Bhargava  
M. L. Apte  
Directors

Saira Nainar  
Partner

Atul B. Desai  
Partner

Adesh Gupta  
Whole-time Director & CFO

Mumbai  
Dated: 2nd May, 2015

Hutokshi Wadia  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015**

|   |      |   | ₹ in Crore  |
|---|------|---|---|
|   |      | <b>Year ended<br/>31st March,<br/>2015<br/>(Current<br/>Year)</b> | Year ended<br>31st March,<br>2015<br>(Previous<br>Year) |
| <b>REVENUE FROM OPERATIONS</b>  |      |   |   |
| Sale of Products and Services (Gross)   | 3.1  | <b>36,067.13</b>  | 32,225.56   |
| Other Operating Revenues  | 3.2  | <b>409.71</b>   | 319.60  |
|   |      | <b>36,476.84</b>  | 32,545.16   |
| Less: Excise Duty   |      | <b>3,629.50</b>   | 3,221.82  |
| <b>Revenue from Operations (Net)</b>  |      | <b>32,847.34</b>  | 29,323.34   |
| Other Income  | 3.3  | <b>538.96</b>   | 576.25  |
| <b>Total Revenue (I)</b>  |      | <b>33,386.30</b>  | 29,899.59   |
| <b>EXPENSES</b>   |      |   |   |
| Cost of Materials Consumed  | 3.4  | <b>8,030.39</b>   | 7,016.36  |
| Purchases of Stock-in-Trade   | 3.5  | <b>556.51</b>   | 446.80  |
| Changes in Inventories of Finished Goods,<br>Work-in-Progress and Stock-in-Trade                  | 3.6  | <b>(159.61)</b>   | 45.35   |
| Employee Benefits Expense   | 3.7  | <b>2,141.16</b>   | 1,845.72  |
| Power and Fuel  |      | <b>6,452.71</b>   | 5,674.79  |
| Freight and Handling Expense  | 3.8  | <b>5,764.89</b>   | 4,908.80  |
| Other Expenses  | 3.9  | <b>5,053.90</b>   | 4,545.19  |
|   |      | <b>27,839.95</b>  | 24,483.01   |
| Less: Captive Consumption<br>[Net of Excise Duty of ₹ 4.24 Crore<br>(Previous Year ₹ 4.32 Crore)] |      | <b>137.07</b>   | 74.44   |
| <b>Total Expenses (II)</b>  |      | <b>27,702.88</b>  | 24,408.57   |
| <b>Profit Before Interest, Depreciation/Amortisation<br/>and Tax (PBITD) (I) - (II)</b>           |      | <b>5,683.42</b>   | 5,491.02  |
| Finance Costs   | 3.10 | <b>667.39</b>   | 447.32  |
| Depreciation and Amortisation   |      | <b>1,563.22</b>   | 1,457.48  |
| <b>Profit Before Exceptional Item and Tax</b>   |      | <b>3,452.81</b>   | 3,586.22  |
| Exceptional Item  | 3.11 | <b>(9.46)</b>   | -   |
| <b>Profit Before Tax</b>  |      | <b>3,443.35</b>   | 3,586.22  |
| Tax Expense   |      |   |   |
| Current Tax   |      | <b>628.78</b>   | 751.13  |
| MAT Credit  |      | <b>(598.95)</b>   | (392.28)  |
| Provision for Tax of Earlier Years Written Back   |      | <b>(2.28)</b>   | (124.74)  |
| Deferred Tax  |      | <b>988.37</b>   | 500.68  |
| <b>Total Tax Expense</b>  |      | <b>1,015.92</b>   | 734.79  |
| <b>Profit After Tax</b>   |      | <b>2,427.43</b>   | 2,851.43  |
| Add: Share in Profit of Associates  |      | <b>154.23</b>   | 102.87  |
| Less: Minority Interest   |      | <b>837.86</b>   | 882.76  |
| <b>Profit for the Year</b>  |      | <b>1,743.80</b>   | 2,071.54  |
| <b>Earnings Per Equity Share (Face Value ₹ 10 each)</b>   | 3.13 |   |   |
| Basic (₹)   |      | <b>189.84</b>   | 225.61  |
| Diluted (₹)   |      | <b>189.64</b>   | 225.50  |
| Significant Accounting Policies   | 1    |   |   |
| The Accompanying Notes are an integral part of the Financial Statements                           |      |   |   |

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered AccountantsFor G. P. KAPADIA & CO.  
Chartered Accountants

For GRASIM INDUSTRIES LIMITED

K. K. Maheshwari  
Managing DirectorB. V. Bhargava  
M. L. Apte  
DirectorsSaira Nainar  
PartnerAtul B. Desai  
PartnerAdesh Gupta  
Whole-time Director & CFOHutokshi Wadia  
Company SecretaryMumbai  
Dated: 2nd May, 2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015**

|   |                         | ₹ in Crore       |
|---|-------------------------|------------------|
|   | <b>Current<br/>Year</b> | Previous<br>Year |
| <b>A. Cash Flow from Operating Activities</b>   |                         |                  |
| a. Net Profit Before Tax  | <b>3,443.35</b>         | 3,586.22         |
| Adjustments for:  |                         |                  |
| Depreciation and Amortisation   | <b>1,563.22</b>         | 1,457.48         |
| Compensation Expenses under Employee Stock Option Scheme  | <b>7.76</b>             | 4.11             |
| Finance Costs   | <b>667.39</b>           | 447.32           |
| Interest Income   | <b>(61.14)</b>          | (64.31)          |
| Dividend Income   | <b>(28.94)</b>          | (49.23)          |
| Provision for Bad and Doubtful Debts and Advances/<br>(Written Back) (Net)  | <b>1.51</b>             | 0.08             |
| Provision for Diminution in value of Investments  | <b>1.87</b>             | -                |
| Provision for Diminution in respect of Joint Venture (Note 3.11)  | <b>9.46</b>             | -                |
| Non-Cash Items  | <b>11.59</b>            | 1.06             |
| (Profit)/ Loss on Sale of Fixed Assets (Net)  | <b>(1.74)</b>           | (2.18)           |
| Profit on Sale of Mutual Funds Units, Bonds and Certificate of<br>Deposits (Net)  | <b>(401.60)</b>         | (368.70)         |
| b. Operating Profit Before Working Capital Changes  | <b>5,212.73</b>         | 5,011.85         |
| Adjustments for:  |                         |                  |
| Trade and Other Receivables   | <b>(344.18)</b>         | (561.89)         |
| Inventories   | <b>(533.31)</b>         | (477.50)         |
| Trade and Other Payables  | <b>567.94</b>           | 440.53           |
| c. Cash Generated from Operations   | <b>4,903.18</b>         | 4,412.99         |
| Direct Taxes Paid (Net)   | <b>(307.04)</b>         | (863.70)         |
| <b>Net Cash from Operating Activities</b>   | <b>4,596.14</b>         | 3,549.29         |
| <b>B. Cash Flow from Investing Activities</b>   |                         |                  |
| Purchase of Fixed Assets (including Capital Advances, Net of<br>Capital Grants)   | <b>(3,299.19)</b>       | (3,365.65)       |
| Sale of Fixed Assets  | <b>19.78</b>            | 16.58            |
| Sale of Long-Term Investments   | <b>-</b>                | 7.71             |
| Purchase of Investments in Subsidiaries   | <b>(20.56)</b>          | (237.03)         |
| Investments in Joint Ventures   | <b>(32.83)</b>          | -                |
| Sale/(Purchase) of Mutual Funds, Bonds and Certificates of<br>Deposits (Net)  | <b>1,035.36</b>         | 880.75           |
| Expenditure for Cost of Assets Transferred from Samruddhi<br>Cement Limited to UltraTech Cement Limited, pursuant to Scheme<br>of Arrangement | <b>(25.00)</b>          | (9.72)           |
| Loans and Advances to other Companies, including ICDs   | <b>(28.47)</b>          | 193.92           |
| Interest Received   | <b>59.10</b>            | 62.77            |
| Dividend Received   | <b>28.94</b>            | 61.21            |
| <b>Net Cash used in Investing Activities</b>  | <b>(2,262.87)</b>       | (2,389.46)       |



|   |                   | ₹ in Crore        |
|---|-------------------|-------------------|
|   | Current Year      | Previous Year     |
| <b>C. Cash Flow from Financing Activities</b>   |                   |                   |
| Proceeds from Issue of Share Capital under ESOS   | 5.66              | 12.45             |
| Proceed from Issue of of Share Capital (Other than equity)                                  | 38.61             | -                 |
| Proceeds from Issue of Share Capital by Joint Venture                                       | 24.27             | -                 |
| Equity Infusion by Minority Shareholder in a Subsidiary                                     | 1.75              | -                 |
| Proceeds from Long-Term Borrowings  | 1,264.42          | 986.55            |
| Repayments of Long-Term Borrowings  | (514.50)          | (783.34)          |
| Proceeds/(Repayment) of Short-Term Borrowings   | 1,576.56          | (333.42)          |
| Repayment of Borrowings transferred from JCCL, pursuant to scheme of Arrangement            | (3,647.08)        | -                 |
| Interest Paid (Net of Subsidy)  | (690.44)          | (574.89)          |
| Dividends Paid  | (289.80)          | (301.88)          |
| Corporate Dividend Tax  | (49.43)           | (51.75)           |
| <b>Net Cash (used in)/from Financing Activities</b>   | <b>(2,279.98)</b> | <b>(1,046.28)</b> |
| <b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>                              | <b>53.29</b>      | <b>113.55</b>     |
| <b>Cash and Cash Equivalents at the beginning of the year</b>                               | <b>396.69</b>     | <b>229.18</b>     |
| <b>Add:</b>   |                   |                   |
| Effect of Exchange Rate on Consolidation of Foreign Subsidiaries/ Joint Ventures            | 12.29             | 53.70             |
| Cash and Cash Equivalents in relation to Joint Venture earlier consolidated as an Associate | -                 | 0.26              |
| Effect of Dilution of Stake in Joint Venture {Note 4.3.2 (a)}                               | (0.58)            | -                 |
| <b>Cash and Cash Equivalents at the end of the year</b>                                     | <b>461.69</b>     | <b>396.69</b>     |
| (Cash and Cash Equivalents represent Cash and Bank Balances)                                |                   |                   |

**Notes:**

- (i) Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3.
- (ii) The scheme of arrangement between JCCL and the Company does not involve any cash outflow and the consideration to the shareholders of the transferor company were through issue of equity shares of the Company. (Note 4.3.4)
- (iii) Purchase of fixed assets includes movements of capital work-in-progress (including Capital Advances) during the year.
- (iv) Cash and Cash Equivalents include ₹ 165.72 Crore (Previous Year ₹ 134.81 Crore) which are statutorily and contractually restricted accounts.
- (v) Previous year figures have been regrouped/recasted wherever necessary.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

For G. P. KAPADIA & CO.  
Chartered Accountants

For GRASIM INDUSTRIES LIMITED

K. K. Maheshwari  
Managing Director

B. V. Bhargava  
M. L. Apte  
Directors

Saira Nainar  
Partner

Atul B. Desai  
Partner

Adesh Gupta  
Whole-time Director & CFO

Mumbai  
Dated: 2nd May, 2015

Hutokshi Wadia  
Company Secretary

## GENERAL INFORMATION

Grasim Industries Limited (the "Company") is engaged primarily in two businesses, Viscose Staple Fibre (VSF) and in Cement, through its subsidiary UltraTech Cement Limited. It also produces Rayon Grade Pulp, Caustic Soda 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 Basis of Preparation:

The financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) in India under historical cost convention on accrual basis and comply in all material aspects with the Accounting Standards (AS) and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013 as applicable, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India (ICAI) and of the Securities and Exchange Board of India (SEBI).

#### 1.2 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 to the Companies Act, 2013. Based on the nature of products and the time 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 for the purpose of classification of assets and liabilities as current and non-current.

#### 1.3 Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amount 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, the actual outcome may be different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise.

#### 1.4 Government Grants:

Any government grant is recognised when there is reasonable assurance of its receipt. A capital grant relating to specific assets is reduced from the gross value of the fixed assets, and capital grant for Project Capital Subsidy is credited to Capital Reserve. Revenue grant is recognised in the Statement of Profit and Loss.

#### 1.5 General Reserve:

General Reserve, a free reserve, 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.

#### 1.6 Fixed Assets:

Fixed assets (Tangible and Intangible) are stated at cost, less accumulated depreciation/amortisation. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use. Fixed Assets, retired from active use and held for sale are stated at lower of their net book value and net realisable value and are disclosed separately in the Financial Statements under Current Assets.

Spares which can be used only in connection with a particular Plant and Equipment of the Company and use is expected to be irregular, are capitalised at cost.

Gains/losses arising from retirement or disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

#### 1.7 Treatment of Expenditure during Construction Period:

Expenditure net of income earned during construction period is included under capital work-in-progress and the same is allocated to the respective fixed assets on the completion of construction.

#### 1.8 Impairment of Assets:

Carrying amount of assets is reviewed at the Balance Sheet date to ascertain if there is any indication of impairment based on the internal and external factors. The assets are treated as impaired when the carrying amount of the asset exceeds its recoverable amount.

An impairment loss, if any, is charged to the Statement of Profit and Loss as and when it arises. Impairment loss recognised in prior years is reversed when there is an indication that impairment loss recognised for the asset no longer exists or may have decreased.

### 1.9 Investments:

Long-term investments are stated at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments. Such reduction is determined and made for each investment individually.

Current investments, except current maturities of long-term investments, are stated at lower of cost and fair value determined for each category of investments.

### 1.10 Inventories:

Inventories are valued at the lower of cost and net realisable value. The cost is computed on weighted-average basis. In case of sale of raw material/stores, the proceeds are credited to their respective heads.

Cost of finished goods and process stock include cost of conversion 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.

### 1.11 Financial Derivatives:

Derivative instrument are used to hedge risk associated with foreign currency fluctuations, interest rates and commodity prices. The derivative contracts are closely linked with underlying transactions and are intended to be held till maturity. The Company does not enter into any derivative contracts for speculations or trading purposes.

With effect from current year, the Company has adopted AS 30 – “Financial Instrument – Recognition and Measurement”, to the extent that adoption did not conflict with existing accounting standards and other regulatory requirements. Accordingly the Company test each contract which are entered on the basis of highly probable forecast transaction and decide whether to designate the same as an underlying for the effective hedge relationship.

To designate a forward or options contract as an effective hedging instrument, the management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk.

The gain or losses on designated hedging contract that qualify as an effective hedge is recorded in the hedging reserve account until the transactions are completed. Upon completion or cessation of hedging relationship as an effective, net cumulative gain/losses are transferred to Statement of Profit & Loss. The gain or losses on designated hedging contracts which are considered as ineffective hedge transactions are charged to the Statement of Profit and Loss.

Forward exchange contracts which are not designated for hedge accounting are marked to market and losses, if any, are charged to Profit and Loss while gains are ignored in accordance with the announcement by the Institute of Chartered Accountants of India on ‘Accounting for Derivatives’.

The premium or discount on forward exchange contracts entered into to hedge an existing asset/liability is amortised as expense or income over the life of the contract. Any gain or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense, as the case may be on such occurrence.

### 1.12 Revenue Recognition:

Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer, and stated net of sales tax, VAT, trade discounts and rebates but includes excise duty.

Income from services is recognised as they are rendered (based on agreement/arrangement with the concerned customers).

Dividend income on investments is accounted for as and when the right to receive the payment is established.

Interest income is recognised on time-proportion basis.

Export incentives and other government incentives, insurance claims and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

Profit/(Loss) on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of Investment and other incidental expenses.

### 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, are 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. 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 incurred.

#### Defined Benefit Plan

The obligation in respect of defined benefit plans, which covers Gratuity and Pension, are provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved fund. Actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss.

#### 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 Share-Based Payments to Employees:

The stock options granted under Employee Stock Option Scheme, 2006 and Employee Stock Option Scheme, 2013 to employees of the Company are accounted for as per the accounting treatment prescribed by the Securities and Exchange Board of India, whereby the intrinsic value of options is recognised as deferred employee compensation. The deferred employee compensation is charged to the Statement of Profit and Loss on the straight-line basis over the vesting period of the option. The employee stock option outstanding account is shown net of any unamortised deferred employee compensation.

### 1.15 Foreign Currency Transactions and Translation:

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency, existing at the Balance Sheet date are translated at the year-end exchange rates.

Exchange differences, including premium or discount on forward exchange contracts, arising till the commissioning of fixed assets, relating to borrowed funds and liabilities in foreign currency for acquisition of the fixed assets, are adjusted to the cost of fixed assets. All other exchange differences are recognised in the Statement of Profit and Loss.

Investment in Share Capital of companies registered outside India is carried in the Balance Sheet at the rates at which transactions have been executed.

Exchange difference arising on restatement of long-term monetary items that in substance forms part of 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 Statement of Profit and Loss.

### 1.16 Research and Development Expenditure:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development expenditure is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. Fixed assets procured for research and development activities are capitalised.

### 1.17 Operating Leases:

Leases, where risk and reward of ownership are significantly retained by the lessor, are classified as operating leases, and lease rentals thereon are charged to the Statement of Profit and Loss on straight line basis over the period of the lease.

### 1.18 Borrowing Cost:

Borrowing costs include interest and ancillary costs incurred in connection with the borrowings. Borrowing costs in connection with the borrowing of funds, to the extent attributable to the acquisition or construction

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. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### 1.19 Depreciation/Amortisation:

Depreciation is a systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight line or written down value method over the useful lives prescribed in Schedule II to the Companies Act, 2013 or on the basis of depreciation rates prescribed under respective local laws applicable for overseas Subsidiaries/Joint Ventures.

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

In case of certain class of assets of the Company and its Subsidiaries/Joint Ventures in India, different useful lives than those prescribed in Schedule II to the Companies Act, 2013 has been used. 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 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 at the economic life of an asset. Such class of assets and their estimated useful lives are as under:

| Asset                                       | Estimated Useful Life   |
|---|---|
| Motor Cars/Two Wheelers                     | 4-5 years   |
| Servers and Networks                        | 3 years   |
| Other Electronic Office Equipment           | 4 years   |
| Computer Software                           | 3 years   |
| Furniture, Fixtures and Electrical Fittings | 7 years   |
| Trademarks, Technical Knowhow               | 10 years  |
| Motor Buses, Tractor, Trolleys              | 5 years   |
| Expenditure incurred on Jetty               | Over the period of relevant agreement such that the cumulative amortisation is not less than the cumulative rebate availed by the Company |
| Spares which are capitalised                | Allocated on systematic basis over the Useful life of related fixed assets  |
| Power Plant                                 | 25 years  |

Continuous process plants, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment and depreciation is provided accordingly.

Useful life of part of the asset which is significant to total cost of asset has been determined separately and depreciation has been provided accordingly.

Based on above, the details of estimated life for each category of assets is as under:

| Category of Assets                       | Estimated useful life (in years) |
|--|----------------------------------|
| Leasehold Land                           | Over the period of lease         |
| Buildings                                | 3 - 60 years                     |
| Plant and Machinery                      | 4 - 40 years                     |
| Furniture, Fittings and Office Equipment | 3 - 20 years                     |
| Vehicles                                 | 3 - 15 years                     |
| Intangible Assets – Softwares            | 3 - 5 years                      |

### 1.20 Provision for Current and Deferred Tax:

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of local laws.

Deferred Tax, resulting from timing difference between book and taxable profit for the year, is accounted for using the tax rates and laws enacted or substantively enacted as on the Balance Sheet Date. The Deferred Tax asset is recognised and carried forward only to the extent there is a reasonable certainty of its realisation in future.

In the event of Unabsorbed Losses, deferred tax assets are recognised to the extent of virtual certainty that sufficient future taxable income will be available to realise such assets.

### 1.21 Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence based on projections that the Company will pay normal Income-tax during the specified period. In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown 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 Company will pay normal Income-tax during the specified period.

### 1.22 Provisions/Contingencies:

A provision is recognised when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined (as provided/charged to the Statement of Profit and Loss) based on estimate of the amount required to settle the obligation at the Balance Sheet date and are not discounted to present value.

Contingent liabilities are not recognised but are disclosed in the financial statements. Claims against the Company where the possibility of materialisation is remote are not considered as contingent liabilities.

Contingent assets are neither recognised nor disclosed, in the financial statements.

### 1.23 Goodwill:

Goodwill arising out of consolidation of financial statements of Subsidiaries and Joint Ventures is not amortised except amortisation in proportion to the quantity extracted during the period out of the total estimated mineral reserve size in case of subsidiaries having mining rights. However, the same is tested for impairment at each Balance Sheet Date.

## 2.1 SHARE CAPITAL

|   | ₹ in Crore                   |                              |
|---|------------------------------|------------------------------|
|   | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>2.1.1 Authorised</b>   |                              |                              |
| 95,000,000 Equity Shares of ₹ 10 each   | 95.00                        | 95.00                        |
| Redeemable Cumulative Preference Shares of ₹ 100 each   |                              |                              |
| 150,000 15.00% "A" Series   | 1.50                         | 1.50                         |
| 100,000 8.57% "B" Series  | 1.00                         | 1.00                         |
| 300,000 9.30% "C" Series  | 3.00                         | 3.00                         |
|   | <b>100.50</b>                | <b>100.50</b>                |
| <b>2.1.2 Issued, Subscribed and Fully Paid-up</b>   |                              |                              |
| 91,852,185 (Previous Year 91,826,971) Equity Shares of ₹ 10 each fully paid-up  | 91.86                        | 91.83                        |
| <b>Share Capital Suspense</b>   |                              |                              |
| 14,879 (Previous Year 14,879) Equity Shares of ₹ 10 each to be issued as fully paid-up pursuant to acquisition of the Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement without payment being received in cash | 0.01                         | 0.01                         |
|   | <b>91.87</b>                 | <b>91.84</b>                 |



₹ in Crore

| As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|------------------------------|------------------------------|
|------------------------------|------------------------------|

**2.1.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense):**

|   | Number of Shares |               |       |       |
|---|------------------|---------------|-------|-------|
|   | Current Year     | Previous Year |       |       |
| Outstanding as at the beginning of the year               | 91,841,850       | 91,791,412    | 91.84 | 91.79 |
| Issued during the year under Employee Stock Option Scheme | 25,214           | 50,438        | 0.03  | 0.05  |
| Outstanding as at the end of the year                     | 91,867,064       | 91,841,850    | 91.87 | 91.84 |

**2.1.4** Aggregate Number of Equity Shares allotted as fully paid-up out of Share Capital Suspense as aforesaid during the period of five years immediately preceding the reporting date (without payment being received in cash)

|    |    |
|----|----|
| 27 | 27 |
|----|----|

**2.1.5 List of Shareholders holding more than 5% shares in the Equity Share Capital of the Company :**

|  | Current Year     |           | Previous Year    |           |
|--|------------------|-----------|------------------|-----------|
|  | Number of Shares | % Holding | Number of Shares | % Holding |
| Turquoise Investment and Finance Private Limited | 5,908,341        | 6.43%     | 5,908,341        | 6.43%     |
| Trapti Trading and Investments Private Limited   | 5,477,863        | 5.96%     | 5,477,863        | 5.96%     |
| Life Insurance Corporation of India              | 6,762,454        | 7.36%     | 7,696,546        | 8.38%     |

**2.1.6** Equity Shares of ₹ 10 each represented by Global Depository Receipts (GDR) (GDR holders have no voting rights)

|            |        |            |        |
|------------|--------|------------|--------|
| 13,288,776 | 14.47% | 13,259,243 | 14.44% |
|------------|--------|------------|--------|

**2.1.7 Rights, Preferences and Restrictions attached to Equity Shares:**

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of 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.

**2.2 SHARE CAPITAL (OTHER THAN EQUITY)**

|   |       |       |
|---|-------|-------|
| Class 'B' Non Voting Shares of AV Cell Inc.   | 7.62  | 24.41 |
| Redeemable Preference Shares of Aditya Group AB   | 33.35 | -     |
| 6% Non-Cumulative, Redeemable, Retractable Preferred Shares Capital of AV Nackawic Inc. | 18.20 | 20.14 |
|   | 59.17 | 44.55 |

## 2.3 RESERVES AND SURPLUS

|  |  | Capital Reserve Capital Subsidy | Capital Reserve on Consolidation | Legal Reserve | Hedging Reserve | Capital Reserve Others | Debt Redemption Reserve | General Reserve | Securities Premium Account | Employee Share Options Outstanding # | Special Reserve Fund | Foreign Currency Translation Reserve | Surplus as per the Statement of Profit and Loss | Total     |
|--|--|---------------------------------|----------------------------------|---------------|-----------------|------------------------|-------------------------|-----------------|----------------------------|--------------------------------------|----------------------|--------------------------------------|---|-----------|
| <b>Current Year</b>  |  |                                 |                                  |               |                 |                        |                         |                 |                            |                                      |                      |                                      |   |           |
| Opening Balance as at 1st April, 2014  |  | 0.18                            | 46.34                            | -             | -               | 0.09                   | 47.80                   | 20,887.34       | 69.23                      | 11.17                                | 5.06                 | 244.34                               | 166.46  | 21,478.01 |
| Profit for the Year  |  | -                               | -                                | -             | -               | -                      | -                       | -               | -                          | -                                    | -                    | -                                    | 1,743.80  | 1,743.80  |
| Dilution of Stake in Joint Venture Associates (Note 4.3.2)   |  | -                               | -                                | -             | -               | (0.01)                 | (0.10)                  | (29.10)         | 161.93                     | -                                    | -                    | 3.61                                 | (6.26)  | 130.07    |
| Proposed Dividend (including Corporate Dividend Tax)   |  | -                               | -                                | -             | -               | -                      | -                       | -               | -                          | -                                    | -                    | -                                    | (199.11)  | (199.11)  |
| Depreciation charged to Surplus as per statement of Profit and Loss (Net of Deferred Tax) (Note 2.3.4) |  | -                               | -                                | -             | -               | -                      | -                       | -               | -                          | -                                    | -                    | -                                    | (58.71)   | (58.71)   |
| Transfer to Legal Reserve (Note 2.3.7)   |  | -                               | -                                | 0.15          | -               | -                      | -                       | -               | -                          | -                                    | -                    | -                                    | (0.15)  | -         |
| Movement during the year   |  | -                               | (9.86)                           | -             | (35.70)         | 70.85                  | 130.75                  | 942.16          | 6.89                       | 5.74                                 | 0.37                 | (123.27)                             | (1,093.28)                                      | (105.35)  |
| <b>Closing Balance as at 31st March, 2015</b>  |  | 0.18                            | 36.48                            | 0.15          | (35.70)         | 70.93                  | 178.45                  | 21,800.40       | 238.05                     | 16.91                                | 5.43                 | 124.68                               | 552.75  | 22,988.71 |
| <b>Previous Year</b>   |  |                                 |                                  |               |                 |                        |                         |                 |                            |                                      |                      |                                      |   |           |
| Opening Balance as at 1st April, 2013  |  | 0.61                            | 41.97                            | -             | -               | 0.08                   | 80.65                   | 18,368.20       | 53.44                      | 11.26                                | 4.49                 | 173.30                               | 788.09  | 19,522.09 |
| Profit for the Year  |  | -                               | -                                | -             | -               | -                      | -                       | -               | -                          | -                                    | -                    | -                                    | 2,071.54  | 2,071.54  |
| Proposed Dividend (including Corporate Dividend Tax)   |  | -                               | -                                | -             | -               | -                      | -                       | -               | -                          | -                                    | -                    | -                                    | (242.30)  | (242.30)  |
| Movement during the year   |  | (0.43)                          | 4.37                             | -             | -               | 0.01                   | (32.85)                 | 2,519.14        | 15.79                      | (0.09)                               | 0.57                 | 71.04                                | (2,450.87)                                      | 126.68    |
| <b>Closing Balance as at 31st March, 2014</b>  |  | 0.18                            | 46.34                            | -             | -               | 0.09                   | 47.80                   | 20,887.34       | 69.23                      | 11.17                                | 5.06                 | 244.34                               | 166.46  | 21,478.01 |

# Net of Deferred Employees' Compensation Expenses ₹ 15.04 Crore (Previous Year ₹ 22.03 Crore).

**2.3.1** The Board of Directors has recommended a dividend of ₹ 18 per share (Previous Year ₹ 21 per share) for the year ended, 31st March, 2015.

**2.3.2** Proposed Dividend (including Corporate Dividend Tax) includes ₹ 0.17 Crore (Previous Year ₹ 0.03 Crore) related to previous year.

**2.3.3** Movement in the previous year in General Reserve represents amount transferred from Surplus as per the Statement of Profit and Loss, and adjustment in respect of difference between management certified Financial Statements and audited Financial Statements of Joint Ventures for earlier year.

**2.3.4** Carrying value of the assets whose useful life is already exhausted as on 1st April, 2014, amounting to ₹ 133.93 Crore net of deferred tax credit of ₹ 44.99 Crore has been recognised in Surplus as per Statement of Profit and Loss as per Schedule II to the Companies Act, 2013. On account of this, an amount of ₹ 58.71 Crore has been charged to Surplus as per the Statement of Profit and Loss and ₹ 30.23 Crore to Minority Interest.

**2.3.5** Hedging Reserve represents the effective portion of the fair value of forward contracts, designated as cash flow hedge (Net of Deferred Tax) (Note 2.5.3 (b)).

**2.3.6** Movement in Capital Reserve (Others) is on account of acquisition of Jaypee Cement Corporation Limited (JCCL) Gujarat units, pursuant to Scheme of Arrangement. Refer Note 4.3.4 with regard to acquisition of the Demerged Cement manufacturing units in Gujarat of JCCL. As stated therein the scheme became effective on June 12, 2014. As at the effective date the financials of the Demerged units, considered for passing accounting entries, reflected a debit balance in the Statement of Profit and Loss of ₹ 1072.53 Crore.

**2.3.7** Legal Reserve represents profit transferred as per the legal requirement in a Joint Venture of the Company.

|                                 |                              | ₹ in Crore                   |
|---------------------------------|------------------------------|------------------------------|
|                                 | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>2.4 LONG-TERM BORROWINGS</b> |                              |                              |
| <b>Secured</b>                  |                              |                              |
| Non-Convertible Debentures      | 1,265.00                     | 259.00                       |
| Term Loans from Banks           |                              |                              |
| Ruppee Term Loans               | 1,235.03                     | 1,446.23                     |
| Foreign Currency Loans          | 1,366.42                     | 1,604.15                     |
| Deferred Sales Tax Loans        | 25.83                        | 22.98                        |
| Other Secured Loans             | 272.68                       | 266.96                       |
|                                 | <b>4,164.96</b>              | <b>3,599.32</b>              |
| <b>Unsecured</b>                |                              |                              |
| Term Loans From Banks           |                              |                              |
| Foreign Currency Loans          | 1,905.57                     | 3,637.60                     |
| Deferred Sales Tax Loans        | 295.66                       | 355.19                       |
| Other Unsecured Loans           | 18.13                        | 19.88                        |
|                                 | <b>6,384.32</b>              | <b>7,611.99</b>              |

**2.5 DEFERRED TAX LIABILITIES (NET)**

|   | As at<br>31st March,<br>2015 | Deferred Tax<br>Assets/Liabilities<br>transferred from<br>JCCL pursuant to<br>scheme of<br>arrangement<br>(Note 4.3.4) | Adjustment<br>during the<br>Year<br>(Note 2.3.4) | Charge for<br>the Year | As at<br>31st March,<br>2014 |
|---|------------------------------|--|--|------------------------|------------------------------|
| <b>Deferred Tax Liabilities:</b>          |                              |  |  |                        |                              |
| Accumulated Depreciation                  | 3,807.12                     | 334.39   | (44.99)  | 526.68                 | 2,991.04                     |
| Others                                    | 5.98                         | -  | -  | (56.54)                | 62.52                        |
|   | <b>3,813.10</b>              | <b>334.39</b>  | <b>(44.99)</b>                                   | <b>470.14</b>          | <b>3,053.56</b>              |
| <b>Deferred Tax Assets:</b>               |                              |  |  |                        |                              |
| Accrued expenses                          | 139.54                       | -  | -  | 12.66                  | 126.88                       |
| allowable on payment basis                |                              |  |  |                        |                              |
| Expenses allowable in                     | 0.63                         | 0.40   | -  | (0.32)                 | 0.55                         |
| instalments in Income-tax                 |                              |  |  |                        |                              |
| Provision for contingencies               | 5.74                         | -  | -  | 0.91                   | 4.83                         |
| allowable on payment basis                |                              |  |  |                        |                              |
| Unabsorbed Depreciation                   | 166.52                       | 660.14   | -  | (535.55)               | 41.93                        |
| Losses                                    |                              |  |  |                        |                              |
| Others                                    | 71.61                        | -  | -  | 7.18                   | 64.43                        |
|   | <b>384.04</b>                | <b>660.54</b>  | <b>-</b>   | <b>(515.12)</b>        | <b>238.62</b>                |
| <b>Deferred Tax<br/>Liabilities (Net)</b> | <b>3,429.06</b>              | <b>(326.15)</b>  | <b>(44.99)</b>                                   | <b>985.26</b>          | <b>2,814.94</b>              |

**2.5.1** Net Deferred Tax charge for the year (also refer Note 2.15) includes amount of ₹ (1.57) crore (Previous Year ₹ 1.32 crore) related to translation difference of Deferred Tax Liability/Asset of Foreign Subsidiaries/Joint Ventures, as on Balance Sheet Date.

**2.5.2** Current year charge includes (also refer note 2.15):

- ₹ 58.26 Crore on account of increase in rate of surcharge on Income-tax as per Finance Bill 2015.
- ₹ 8.63 Crore on account of deferred tax credit on unrealised losses on forward contract, adjusted in hedging reserve.

|  | ₹ in Crore                   |                              |
|--|------------------------------|------------------------------|
|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>2.6 OTHER LONG-TERM LIABILITIES</b>   |                              |                              |
| Security and Other Deposits  | 2.10                         | 2.17                         |
| Trade Payables (other than Micro and Small Enterprises)  | 17.04                        | 2.30                         |
| Other Liabilities  | 19.83                        | 13.34                        |
|  | <b>38.97</b>                 | <b>17.81</b>                 |
| <b>2.7 LONG-TERM PROVISIONS</b>  |                              |                              |
| For Employee Benefits  | 241.85                       | 188.73                       |
| For Asset Retirement Obligation {Note 2.11.1 (a)}  | 15.76                        | 13.70                        |
|  | <b>257.61</b>                | <b>202.43</b>                |
| <b>2.8 SHORT-TERM BORROWINGS</b>   |                              |                              |
| <b>Secured</b>   |                              |                              |
| From Banks   | 613.72                       | 893.87                       |
| <b>Unsecured</b>   |                              |                              |
| From Banks   | 1,947.06                     | 628.44                       |
| From Others  | 10.61                        | 7.71                         |
| Non - Convertible Debentures   | 500.00                       | -                            |
|  | <b>3,071.39</b>              | <b>1,530.02</b>              |
| <b>2.9 TRADE PAYABLES</b>  |                              |                              |
| Due to Micro and Small Enterprises   | 1.34                         | 1.95                         |
| Others   | 3,718.20                     | 3,247.91                     |
|  | <b>3,719.54</b>              | <b>3,249.86</b>              |
| There is no principal amount and interest overdue to the Micro and Small Enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors. |                              |                              |
| <b>2.10 OTHER CURRENT LIABILITIES</b>  |                              |                              |
| Current Maturities of Long-Term Debts  | 2,474.48                     | 539.15                       |
| Interest Accrued but not Due on Borrowings   | 143.75                       | 94.36                        |
| Unpaid Dividends (Amount Transferable to Investor Education and Protection Fund, when due)   | 16.16                        | 15.24                        |
| Security and Other Deposits (Trade Deposits)   | 702.28                       | 558.50                       |
| Advances from Customers  | 205.74                       | 188.38                       |
| Liability for Capital Goods  | 286.11                       | 253.36                       |
| Other Payables (including Statutory Dues, etc.)  | 1,163.91                     | 1,053.03                     |
|  | <b>4,992.43</b>              | <b>2,702.02</b>              |

|  | As at<br>31st March,<br>2015 | ₹ in Crore<br>As at<br>31st March,<br>2014 |
|--|------------------------------|--|
|--|------------------------------|--|

**2.11 SHORT-TERM PROVISIONS**

|   |                        |                 |
|---|------------------------|-----------------|
| For Employee Benefits                     | <b>34.99</b>           | 33.02           |
| For Proposed Dividend                     | <b>165.33</b>          | 192.84          |
| For Corporate Dividend Tax                | <b>53.65</b>           | 49.43           |
| For Taxation (Net of Advance Tax)         | <b>946.57</b>          | 630.36          |
| For Assets Transfer Cost {Note 2.11.1(b)} | <b>138.17</b>          | 162.82          |
|   | <b><u>1,338.71</u></b> | <u>1,068.47</u> |

**2.11.1** Movement of provisions during the period as required by Accounting Standard-29 "Provisions, Contingent Liabilities and Contingent Assets" :(a) **Provision for Asset Retirement Obligation**

|   |                     |              |
|---|---------------------|--------------|
| Opening Balance                         | <b>13.70</b>        | 14.37        |
| Add: Provision made during the year     | <b>2.06</b>         | 2.82         |
| Less: Utilised during the year          | <b>-</b>            | 3.49         |
| Closing Balance (consider as Long Term) | <b><u>15.76</u></b> | <u>13.70</u> |

(b) **Provision for Cost of Transfer of Assets**

|                                     |                      |               |
|-------------------------------------|----------------------|---------------|
| Opening Balance                     | <b>162.82</b>        | 172.54        |
| Add: Provision made during the year | <b>25.50</b>         | -             |
| Less: Utilised during the period    | <b>50.15</b>         | 9.72          |
| Closing Balance                     | <b><u>138.17</u></b> | <u>162.82</u> |

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**2.12 FIXED ASSETS**

|                                | Gross Block      |   |                 |                         | Depreciation/Amortisation         |                  |                  |   | Net Block   |               |                         |                                   |
|--------------------------------|------------------|---|-----------------|-------------------------|-----------------------------------|------------------|------------------|---|---|---------------|-------------------------|-----------------------------------|
|                                | Opening          | Additional Acquired/ Other Adjustments<br>Note 2.12.2 | Additions       | Deductions/ Adjustments | Translation Difference Add/(Less) | Closing          | Opening          | Additional Acquired/ Other Adjustments<br>Note 2.12.2 |   | For the Year  | Deductions/ Adjustments | Translation Difference Add/(Less) |
| <b>PREVIOUS YEAR</b>           |                  |   |                 |                         |                                   |                  |                  |   |   |               |                         |                                   |
| <b>TANGIBLE ASSETS</b>         |                  |   |                 |                         |                                   |                  |                  |   |   |               |                         |                                   |
| Freehold Land                  | 1,630.32         | 17.94   | 459.71          | 0.42                    | 1.07                              | <b>2,108.62</b>  | -                | -   | -   | -             | -                       | <b>2,108.62</b>                   |
| Leasehold Land                 | 218.53           | (0.29)  | 22.20           | 0.24                    | 1.38                              | <b>241.58</b>    | 41.32            | (0.16)  | 10.42   | 0.24          | 0.21                    | <b>51.55</b>                      |
| Buildings                      | 2,306.35         | (14.03)   | 566.55          | 8.81                    | 22.70                             | <b>2,872.76</b>  | 566.08           | 0.70  | 81.61   | 2.77          | 4.73                    | <b>650.35</b>                     |
| Plant and Equipment            |                  |   |                 |                         |                                   |                  |                  |   |   |               |                         | <b>2,222.41</b>                   |
| Own                            | 22,986.39        | 11.81   | 4,319.89        | 99.82                   | 200.85                            | <b>27,419.12</b> | 9,495.95         | 8.40  | 1,260.12  | 75.84         | 53.36                   | <b>16,677.13</b>                  |
| Given on Lease                 | 55.43            | -   | -               | -                       | -                                 | <b>55.43</b>     | 44.13            | -   | 2.76  | -             | -                       | <b>46.89</b>                      |
| Furniture and Fixtures         | 176.08           | (16.77)   | 21.23           | 3.98                    | 4.28                              | <b>180.84</b>    | 120.05           | (9.44)  | 15.77   | 3.85          | 2.63                    | <b>125.16</b>                     |
| Vehicles                       | 106.16           | 0.57  | 18.07           | 13.46                   | 0.91                              | <b>112.25</b>    | 55.57            | 0.50  | 14.05   | 9.85          | 0.55                    | <b>60.82</b>                      |
| Office Equipment               | 266.40           | 0.01  | 43.44           | 15.85                   | 0.20                              | <b>294.20</b>    | 189.93           | -   | 26.67   | 15.06         | 0.04                    | <b>201.58</b>                     |
| Plantations                    | 100.27           | -   | 8.49            | -                       | 5.50                              | <b>114.26</b>    | -                | -   | -   | -             | -                       | <b>114.26</b>                     |
| Railway Sidings                | 329.82           | -   | 167.80          | -                       | -                                 | <b>497.62</b>    | 178.62           | -   | 17.55   | -             | -                       | <b>196.17</b>                     |
| <b>Total Tangible Assets</b>   | <b>28,175.75</b> | <b>(0.76)</b>   | <b>5,627.38</b> | <b>142.58</b>           | <b>236.89</b>                     | <b>33,896.68</b> | <b>10,691.65</b> | -   | <b>1,428.95</b>   | <b>107.61</b> | <b>61.52</b>            | <b>21,822.17</b>                  |
| <b>INTANGIBLE ASSETS</b>       |                  |   |                 |                         |                                   |                  |                  |   |   |               |                         |                                   |
| Computer Software              | 106.70           | -   | 12.41           | 1.00                    | 2.86                              | <b>120.97</b>    | 74.16            | -   | 13.88   | 1.00          | 1.39                    | <b>88.43</b>                      |
| Trade Mark                     | 0.01             | -   | -               | -                       | -                                 | <b>0.01</b>      | -                | -   | -   | -             | -                       | <b>0.01</b>                       |
| Mining Rights                  | 49.69            | -   | 44.49           | -                       | -                                 | <b>94.18</b>     | 14.62            | -   | 2.53  | -             | -                       | <b>17.15</b>                      |
| <b>Total Intangible Assets</b> | <b>156.40</b>    | <b>-</b>  | <b>56.90</b>    | <b>1.00</b>             | <b>2.86</b>                       | <b>215.16</b>    | <b>88.78</b>     | -   | <b>16.41</b>  | <b>1.00</b>   | <b>1.39</b>             | <b>109.58</b>                     |
|                                | <b>28,332.15</b> | <b>(0.76)</b>   | <b>5,684.28</b> | <b>143.58</b>           | <b>239.75</b>                     | <b>34,111.84</b> | <b>10,780.43</b> | -   | <b>1,445.36</b>   | <b>108.61</b> | <b>62.91</b>            | <b>21,931.75</b>                  |
|                                |                  |   |                 |                         |                                   |                  |                  |   | Capital Work-in-Progress (including Pre-Operative Expenses) |               |                         | <b>4,041.66</b>                   |
|                                |                  |   |                 |                         |                                   |                  |                  |   | Intangible Assets under Development                         |               |                         | <b>3.19</b>                       |
|                                |                  |   |                 |                         |                                   |                  |                  |   | <b>Total Fixed Assets</b>                                   |               |                         | <b>25,976.60</b>                  |

**2.12.1** Additional Acquired/Other Adjustments for current year includes:

Acquisition of assets from Jaypee Cement Corporation Limited (JCCL) (Note 4.3.4)  
Adjustment for dilution of stake in Joint Venture (Note 4.3.2 (a))

**2.12.2** Additional Acquired/Other Adjustments for previous year includes:

Assets acquired on acquisition of Bhagwati Lime Stone Company Pvt. Ltd (BLCPL)  
Difference between management certified Financial Statements and audited Financial Statements of Joint Ventures for previous year

**2.12.3** From 1st April, 2014 as per applicable provisions of Schedule II to the Companies Act, 2013, the depreciation has been provided as per the useful life specified in the Act or as re-assessed by the Company. Carrying value of the assets whose useful life is already exhausted as on 1st April, 2014, amounting to ₹ 133.93 Crore net of deferred tax credit of ₹ 44.99 Crore has been recognised in Surplus as per Statement of Profit & Loss. (Note 2.3.4)

Had there been no change as stated above, depreciation would have been higher by ₹ 283.91 Crore for the year ended 31st March, 2015.

**Current**

**Previous**

**Year**

**Year**

**2.12.4** Depreciation and Amortisation for the year

Less: Capitalised as Pre-Operative expenses

Add: Obsolescence

Add: Amortisation of Goodwill on Consolidation (Note 1.23)

Less: Diminution in value of Fixed Asset (Note 3.11)

Less: Depreciation transferred to Surplus as per Statement of Profit and Loss (Note 2.12.3)

Depreciation and Amortisation for the year charged to the Statement of Profit and Loss

**2.12.5** Fixed Assets include assets costing ₹ 506.97 Crore (Previous Year ₹ 307.83 Crore) not owned by the Group.

**2.12.6** Fixed Assets include assets costing ₹ 87.71 Crore (Previous Year ₹ 87.60 Crore) held on Co-ownership with other companies.

₹ in Crore

|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|--|------------------------------|------------------------------|
|--|------------------------------|------------------------------|

## 2.13 GOODWILL ON CONSOLIDATION

In Case of Investment in Subsidiaries:

|  |          |          |
|--|----------|----------|
| Carrying Cost of Investment                      | 2,702.85 | 2,702.85 |
| Less: Grasim's Share in Net Worth on Acquisition | 793.57   | 793.57   |
|  | 1,909.28 | 1,909.28 |

Goodwill arising in Consolidated Financial Statements of Subsidiaries and Joint Ventures

1,333.06 1,322.10

In case of Investment in Joint Ventures:

|  |          |          |
|--|----------|----------|
| Carrying Cost of Investment                      | 608.25   | 592.12   |
| Less: Grasim's Share in Net Worth on Acquisition | 567.19   | 546.68   |
|  | 41.06    | 45.44    |
|  | 3,283.40 | 3,276.82 |

## 2.14 NON-CURRENT INVESTMENTS

(Long-Term, Fully Paid-up, At Cost)

### Trade Investments

#### Investments in Equity Instruments

##### Associates

|  |      |      |
|--|------|------|
| Share in Net Assets                        | 7.80 | 7.80 |
| Goodwill/(Capital Reserve)                 | -    | -    |
| Equity Investments in Associates - At Cost | 7.80 | 7.80 |
| Share in Profit/Reserves of Associates     | 1.90 | 2.04 |
|  | 9.70 | 9.84 |
|  | 2.96 | 3.06 |

##### Other Companies

12.66 12.90  
89.34 55.17

Investments in Preference Shares

### Other Investments

#### Investments in Equity Instruments

##### Associates

|  |          |        |
|--|----------|--------|
| Share in Net Assets                        | 171.01   | 171.01 |
| Goodwill/(Capital Reserve)                 | -        | -      |
| Equity Investments in Associates - At Cost | 171.01   | 171.01 |
| Share in Profit/Reserves of Associates     | 933.68   | 689.35 |
|  | 1,104.69 | 860.36 |
|  | 443.31   | 443.31 |

##### Other Companies (Note 2.14.2)

1,548.00 1,303.67

Investments in Bonds, Debentures and Government Deposits

|                                       |        |        |
|---------------------------------------|--------|--------|
| Bonds and Debentures                  | 262.02 | 266.52 |
| Deposited with Government Departments | 0.02   | 0.02   |

262.04 266.54

Investments in Debt Schemes of various Mutual Funds

1,926.93 1,035.00  
3,838.97 2,673.28

|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|--|------------------------------|------------------------------|
| ₹ in Crore   |                              |                              |
| <b>2.14.1</b> Aggregate Book Value of:   |                              |                              |
| Quoted Investments   | 1,857.80                     | 1,570.57                     |
| Unquoted Investments   | 1,981.17                     | 1,102.71                     |
|  | <u>3,838.97</u>              | <u>2,673.28</u>              |
| Aggregate Market Value of Quoted Investments   | 5,790.99                     | 4,568.59                     |
| <b>2.14.2</b> Includes ₹ 23.11 Crore relating to Investment in shares of Larsen & Toubro Limited which are non-transferable, pending disposal of appeal filed in earlier year by Larsen & Toubro Limited and others in Hon'ble Bombay High Court against the single bench order of the court in favour of the Company. |                              |                              |
| <b>2.15 DEFERRED TAX ASSETS (NET)</b>  |                              |                              |
|  | <b>Current<br/>Year</b>      | Charge for<br>the Year       |
| <b>Deferred Tax Assets:</b>  |                              | Previous<br>Year             |
| Provision for contingencies allowable on payment basis   | 0.09                         | -                            |
| Unabsorbed Losses  | 65.12                        | 36.87                        |
| Others   | 9.30                         | 6.92                         |
|  | <u>74.51</u>                 | <u>43.79</u>                 |
| <b>Deferred Tax Liabilities:</b>   |                              |                              |
| Accumulated Depreciation   | 42.88                        | 23.83                        |
| Others   | 12.87                        | 12.87                        |
|  | <u>55.75</u>                 | <u>36.70</u>                 |
| <b>Deferred Tax Assets (Net)</b>   | <u>18.76</u>                 | <u>7.09</u>                  |
| <b>2.16 LONG-TERM LOANS AND ADVANCES</b>   |                              |                              |
| <b>Secured (Considered Good)</b>   |                              |                              |
| Loans against House Property (Secured by way of title deeds)   | 0.04                         | 0.06                         |
| <b>Unsecured (Considered Good)</b>   |                              |                              |
| Capital Advances for Purchase of Fixed Assets  | 756.83                       | 966.68                       |
| Security Deposits  | 137.43                       | 109.73                       |
| Loans and Advances to Related Parties  | 31.01                        | 33.06                        |
| Balances with Government Authorities   | 202.59                       | 180.33                       |
| MAT Credit Entitlement   | 1,051.20                     | 452.25                       |
| Other Loans and Advances (includes Advances to Suppliers, etc.)  | 110.45                       | 104.99                       |
|  | <u>2,289.55</u>              | <u>1,847.08</u>              |
| <b>2.17 CURRENT INVESTMENTS</b>  |                              |                              |
| (At Cost or Fair Value, whichever is less)   |                              |                              |
| Investments in Government Securities   | 26.18                        | -                            |
| Investments in units of Debt Schemes of various Mutual Funds   | 3,345.14                     | 4,937.53                     |
| Fixed Deposit with Corporates  | 45.00                        | -                            |
|  | <u>3,416.32</u>              | <u>4,937.53</u>              |
| <b>2.17.1</b> Aggregate Book Value of:   |                              |                              |
| Quoted Investments   | 819.51                       | 1,112.19                     |
| Unquoted Investments   | 2,596.80                     | 3,825.34                     |
|  | <u>3,416.32</u>              | <u>4,937.53</u>              |
| Aggregate Market Value of Quoted Investments   | 906.49                       | 1,207.62                     |
| <b>2.17.2</b> Current Investments include current portion of Long-Term Investments as per the definition provided in Accounting Standard (AS)-13: Accounting for Investments.  |                              |                              |
|  | 2,470.00                     | 3,069.02                     |

|   | ₹ in Crore                   |                              |
|---|------------------------------|------------------------------|
|   | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>2.18 INVENTORIES</b>   |                              |                              |
| <b>(Valued at lower of cost and net realisable value, unless otherwise stated)</b>                            |                              |                              |
| Raw Materials {includes in transit ₹ 352.18 Crore<br>(Previous Year ₹ 346.47 Crore)}                          | <b>1,284.86</b>              | 1,333.21                     |
| Work-in-Progress  | <b>545.54</b>                | 393.15                       |
| Finished Goods (including Trading Goods) {includes in transit<br>₹ 76.54 Crore (Previous Year ₹ 86.33 Crore)} | <b>895.06</b>                | 783.20                       |
| Stores and Spare Parts {includes in transit<br>₹ 14.21 Crore (Previous Year ₹ 8.92 Crore)}                    | <b>1,162.62</b>              | 1,076.21                     |
| Fuel {includes in transit ₹ 267.65 Crore<br>(Previous Year ₹ 94.09 Crore)}                                    | <b>815.60</b>                | 592.92                       |
| By-Products   | <b>16.62</b>                 | 2.26                         |
| Waste/Scrap (valued at net realisable value)  | <b>15.07</b>                 | 9.62                         |
| Others (includes Packing Materials)   | <b>53.08</b>                 | 65.93                        |
|   | <b>4,788.45</b>              | 4,256.50                     |

## 2.19 TRADE RECEIVABLES

### Outstanding for a period exceeding six months from the date they are due for payment

|                                    |               |       |
|------------------------------------|---------------|-------|
| Secured, Considered Good           | <b>19.98</b>  | 20.31 |
| Unsecured, Considered Good*        | <b>77.00</b>  | 59.93 |
| Doubtful                           | <b>3.76</b>   | 3.02  |
|                                    | <b>100.74</b> | 83.26 |
| Less: Provision for Doubtful Debts | <b>3.76</b>   | 3.02  |
|                                    | <b>96.98</b>  | 80.24 |

### Others

|                             |                 |          |
|-----------------------------|-----------------|----------|
| Secured, Considered Good    | <b>516.05</b>   | 453.07   |
| Unsecured, Considered Good* | <b>2,034.34</b> | 1,975.84 |
|                             | <b>2,647.37</b> | 2,509.15 |

\* Includes amount in respect of which the Company holds Deposits and Letters of Credit/Guarantees from Banks

**249.29** 364.65

## 2.20 CASH AND CASH EQUIVALENTS

### Cash and Cash Equivalents

|   |               |        |
|---|---------------|--------|
| Cash on Hand  | <b>1.18</b>   | 1.43   |
| Cheques on Hand   | <b>37.62</b>  | 61.04  |
| Balances with Banks                                       |               |        |
| In Current Account  | <b>70.63</b>  | 113.41 |
| In Deposit Account- Original Maturity of 3 Months or Less | <b>25.00</b>  | -      |
|   | <b>134.43</b> | 175.88 |

### Bank Balances

|  |               |        |
|--|---------------|--------|
| In EEFC Account                                | <b>5.07</b>   | 8.09   |
| Earmarked Balance with Bank                    |               |        |
| In Government Treasury Saving Account          | <b>0.01</b>   | 0.01   |
| Unpaid Dividend Account                        | <b>16.15</b>  | 15.22  |
| Bank Deposit                                   | <b>1.31</b>   | 0.26   |
| Fixed Deposits with Banks*                     |               |        |
| Maturity more than 3 months and upto 12 Months | <b>282.74</b> | 187.85 |
| Maturity more than 12 months                   | <b>21.98</b>  | 9.38   |
|  | <b>325.95</b> | 220.55 |
|  | <b>461.69</b> | 396.69 |

\* Includes

|   |               |        |
|---|---------------|--------|
| <b>2.20.1</b> Lodged as security with Government Department | <b>149.57</b> | 119.59 |
| <b>2.20.2</b> Interest Accrued                              | <b>0.01</b>   | 0.04   |

|  | ₹ in Crore                   |                              |
|--|------------------------------|------------------------------|
|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>2.21 SHORT-TERM LOANS AND ADVANCES</b>  |                              |                              |
| <b>Secured (Considered Good)</b>   |                              |                              |
| Loans against House Property<br>(Secured by way of title deeds)                            | 0.01                         | 0.01                         |
| <b>Unsecured (Considered Good, unless otherwise stated)</b>                                |                              |                              |
| Security Deposits*   | 232.64                       | 215.18                       |
| Loans and Advances to Related Parties  | 34.52                        | 36.97                        |
| Balances with Government Authorities   | 657.16                       | 606.62                       |
| Deposits with Bodies Corporate   | 30.00                        | -                            |
| Advance Tax (Net of Provision for Tax)   | 202.20                       | 204.37                       |
| MAT Credit Entitlement   | -                            | 0.25                         |
| Other Short-Term Loans and Advances (includes Advances<br>to Suppliers, Employees, etc.)** | 789.29                       | 735.41                       |
| Less: Provision for Doubtful Advances  | 0.58                         | 0.49                         |
|  | <b>788.71</b>                | <b>734.92</b>                |
|  | <b>1,945.24</b>              | <b>1,798.32</b>              |

\* Includes deposit of ₹ 9.49 Crore (Previous Year ₹ 9.49 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.

\*\*Includes Considered Doubtful fully provided

## 2.22 OTHER CURRENT ASSETS

|  |              |              |
|--|--------------|--------------|
| Assets Held for Disposal   | 9.53         | 0.05         |
| Interest Accrued on Investments  | 7.09         | 7.09         |
| Others (includes Insurance Claims, Export Incentives Receivables,<br>Hedging Premium etc.) | 47.49        | 57.00        |
|  | <b>64.11</b> | <b>64.14</b> |

|  |                  | ₹ in Crore       |
|--|------------------|------------------|
|  | Current<br>Year  | Previous<br>Year |
| <b>3.1 SALE OF PRODUCTS AND SERVICES (GROSS) (Note 4.10.1)</b> |                  |                  |
| Sale of Products   | 35,961.58        | 32,138.47        |
| Services Rendered  | 105.55           | 87.09            |
|  | <u>36,067.13</u> | <u>32,225.56</u> |
| <b>3.2 OTHER OPERATING REVENUES</b>                            |                  |                  |
| Export Incentives  | 46.34            | 35.90            |
| Insurance Claims   | 18.57            | 17.49            |
| Sundry Balances Written Back (Net)                             | 20.61            | 10.30            |
| Rent Received  | 4.04             | 3.15             |
| Scrap Sales (Net)  | 79.07            | 95.42            |
| Others   | 241.08           | 157.34           |
|  | <u>409.71</u>    | <u>319.60</u>    |
| <b>3.3 OTHER INCOME</b>  |                  |                  |
| <b>Interest Income on:</b>                                     |                  |                  |
| Long-Term Investments - Government and Other Securities        | 22.02            | 21.18            |
| Bank and Other Accounts  | 71.63            | 102.43           |
| <b>Dividend Income from:</b>                                   |                  |                  |
| Long-Term Investments - Trade                                  | 2.82             | 15.77            |
| Long-Term Investments - Others                                 | 16.11            | 17.02            |
| Current Investments - Mutual Funds                             | 10.01            | 16.44            |
| <b>Profit on Sale of:</b>                                      |                  |                  |
| Long-Term Investments (Net)                                    | 89.86            | 91.75            |
| Current Investment (Net)                                       | 311.74           | 276.95           |
| Fixed Assets (Net)   | 1.74             | 2.18             |
| Exchange Rate Difference (Net)                                 | -                | 21.62            |
| Others   | 13.03            | 10.91            |
|  | <u>538.96</u>    | <u>576.25</u>    |
| <b>3.4 COST OF MATERIALS CONSUMED</b>                          |                  |                  |
| Opening Stock  | 1,333.21         | 916.38           |
| Add : Purchases and Incidental Expenses                        | 7,982.05         | 7,435.65         |
| Stock Transferred from JCCL, pursuant to Merger                | 2.88             | -                |
| Regrouping from other heads of accounts                        | (3.31)           | -                |
|  | <u>9,314.83</u>  | <u>8,352.03</u>  |
| Less : Sales   | 5.27             | 2.46             |
| Adjustments for Stake dilution in Joint Venture                | (5.69)           | -                |
| Closing Stock  | 1,284.86         | 1,333.21         |
|  | <u>1,284.44</u>  | <u>1,335.67</u>  |
|  | <u>8,030.39</u>  | <u>7,016.36</u>  |
| <b>3.5 PURCHASES OF STOCK-IN-TRADE</b>                         |                  |                  |
| Chemicals  | 21.10            | 6.80             |
| Grey Cement  | 127.67           | 102.76           |
| Fabrics  | 126.66           | 89.74            |
| Others   | 281.08           | 257.82           |
|  | <u>556.51</u>    | <u>446.80</u>    |



|  |                 | ₹ in Crore    |
|--|-----------------|---------------|
|  | Current Year    | Previous Year |
| <b>3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b> |                 |               |
| <b>Opening Stock</b>   |                 |               |
| Finished Goods   | 785.92          | 718.24        |
| By-Products  | 2.26            | 1.19          |
| Process Stock  | 393.15          | 497.37        |
| Waste/Scrap  | 4.45            | 4.61          |
|  | <b>1,185.78</b> | 1,221.41      |
| <b>Less : Closing Stock</b>  |                 |               |
| Finished Goods   | 888.31          | 785.92        |
| By-Products  | 16.62           | 2.26          |
| Process Stock  | 545.54          | 393.15        |
| Waste/Scrap  | 5.07            | 4.45          |
|  | <b>1,455.54</b> | 1,185.78      |
| <b>Decrease/(Increase) in Stocks</b>   | <b>(269.76)</b> | 35.63         |
| Less: (Increase)/Decrease in Excise Duty on Stocks                                       | <b>(14.00)</b>  | 7.10          |
| Stake dilution in Joint Venture  | <b>2.65</b>     | -             |
| Add: Regrouping from other head of accounts  | <b>2.50</b>     | -             |
| Stock transferred from JCCL, pursuant to merger  | <b>11.64</b>    | -             |
| Stock of Trial Run Production  | <b>100.99</b>   | 11.47         |
| Exchange Translation Difference  | <b>(16.33)</b>  | 5.35          |
|  | <b>(159.61)</b> | 45.35         |
| <b>3.7 EMPLOYEE BENEFITS EXPENSE</b>   |                 |               |
| Salaries and Wages   | <b>1,847.05</b> | 1,577.01      |
| Contribution to Provident and Other Funds  | <b>137.41</b>   | 106.31        |
| Staff Welfare Expenses   | <b>148.94</b>   | 158.29        |
| Expenses on Employee Stock Option Scheme   | <b>7.76</b>     | 4.11          |
|  | <b>2,141.16</b> | 1,845.72      |
| <b>3.8 FREIGHT AND FORWARDING EXPENSE</b>  |                 |               |
| On Finished Products   | <b>5,084.50</b> | 4,424.57      |
| On Clinker Transfer  | <b>680.39</b>   | 484.23        |
|  | <b>5,764.89</b> | 4,908.80      |
| <b>3.9 OTHER EXPENSES</b>  |                 |               |
| <b>3.9.1 Manufacturing Expenses</b>  |                 |               |
| Consumption of Stores, Spare Parts and Components and Incidental Expenses                | <b>890.40</b>   | 842.17        |
| Consumption of Packing Materials   | <b>851.02</b>   | 806.42        |
| Processing Charges   | <b>34.92</b>    | 30.30         |
| Repairs to Buildings   | <b>77.80</b>    | 64.45         |
| Repairs to Machinery   | <b>453.52</b>   | 438.68        |
| Repairs to Others  | <b>137.79</b>   | 111.29        |

|  | ₹ in Crore      |                 |
|--|-----------------|-----------------|
|  | Current Year    | Previous Year   |
| <b>3.9.2 Administration, Selling and Distribution Expenses</b> |                 |                 |
| Advertisement  | 177.84          | 167.57          |
| Discounts, Sales Promotion and Other Selling Expenses          | 1,104.04        | 992.49          |
| Insurance  | 70.28           | 64.63           |
| Rent (including Lease Rent) (Note 4.4.2)                       | 145.49          | 133.40          |
| Rates and Taxes  | 147.10          | 128.69          |
| Research Contribution and Expenses                             | 24.69           | 28.03           |
| Donations (Note 3.12)  | 70.97           | 20.36           |
| Directors' Fees  | 0.58            | 0.27            |
| Directors' Commission  | 25.56           | 31.50           |
| Exchange Rate Difference (Net)                                 | 21.57           | -               |
| Provision for Diminution in value of Investments               | 1.87            | -               |
| Miscellaneous Expenses   | 818.46          | 684.94          |
|  | <b>5,053.90</b> | <b>4,545.19</b> |

### 3.10 FINANCE COSTS

|   |               |               |
|---|---------------|---------------|
| Interest Expenses #                                 | 732.77        | 552.32        |
| Other Borrowing Costs                               | 5.12          | 14.92         |
| Exchange (Gain)/Loss on Foreign Currency Borrowings | 1.99          | 6.07          |
|   | <b>739.88</b> | <b>573.31</b> |
| Less: Capitalised                                   | 72.50         | 125.99        |
|   | <b>667.39</b> | <b>447.32</b> |
| # Net of Interest Subsidy from Government           | 120.53        | 118.76        |

**3.11** 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. Considering the present overcapacity in both pulp and fibre businesses, it's strategic importance for the Company is diminished. Therefore, the Company has provided ₹ 9.46 Crore (being the excess of the carrying value of BLPP in Consolidated Financial Statements over its estimated enterprise value) towards impairment of assets which has been disclosed as Exceptional Item.

**3.12** Donations include contribution of ₹ 70.95 Crore (Previous Year ₹ 20 Crore) to General Electoral Trust (the 'Trust'), set up by the company (along with other group companies). As per governing charter of the Trust, these contributions are used for contribution for Political purposes, as may be decided by the Board of Independent Trustees of the Trust. During the year, company has received refund of ₹ 0.09 Crore from General Electoral Trust, being undistributed balance related to earlier years.

### 3.13 Earnings Per Share (EPS):

|  |                   |            |
|--|-------------------|------------|
| <b>Net profit for the year attributable to equity shareholders (₹ in Crore)</b>              | <b>1,743.80</b>   | 2,071.54   |
| <b>Basic EPS:</b>  |                   |            |
| Weighted-average Number of equity shares outstanding (Nos.)                                  | <b>91,856,386</b> | 91,818,912 |
| <b>Basic EPS (₹)</b>   | <b>189.84</b>     | 225.61     |
| <b>Diluted EPS:</b>  |                   |            |
| Weighted-average Number of equity shares outstanding (Nos.)                                  | <b>91,856,386</b> | 91,818,912 |
| <b>Add:</b> Weighted-average Number of potential equity shares on exercise of options (Nos.) | <b>97,471</b>     | 43,505     |
| Weighted-average Number of equity shares outstanding for calculation of Diluted EPS (Nos.)   | <b>91,953,857</b> | 91,862,417 |
| <b>Diluted EPS (₹)</b>   | <b>189.64</b>     | 225.50     |

#### 4.1 PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements (CFS) comprise the Financial Statements of Grasim Industries Limited ("Company") and its Subsidiaries, Joint Ventures and Associates (herein after referred together as "Group"). The CFS of the Group have been prepared in accordance with the Accounting Standard on "Consolidated Financial Statements" (AS-21), "Financial Reporting of Interests in Joint Ventures" (AS-27) and "Accounting for Investments in Associates in Consolidated Financial Statements" (AS-23) issued by the Institute of Chartered Accountants of India.

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 unrealized 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.

As far as possible, the CFS are prepared using uniform significant accounting policies for like transactions and other events in similar circumstances.

The CFS includes seven Joint Ventures (JVs), and sixteen 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 yearly average exchange rate, and resulting exchange differences are accumulated in Foreign Currency Translation Reserve.

The effect of intra-group transactions between Grasim, Subsidiaries and JVs are eliminated in consolidation.

#### 4.2 The CFS is comprised of the Audited Financial Statements (except as mentioned otherwise) of the Company, its Subsidiaries and its interest in JVs and Associates for the year ended 31st March, 2015, which are as under:

| Name of the Company                                      | Note | Abbreviation | Country of Incorporation | Grasim's Ownership Interest % |           | % Shareholding and Voting Power along with Subsidiaries |           |
|--|------|--------------|--------------------------|-------------------------------|-----------|---|-----------|
|  |      |              |                          | 31.3.2015                     | 31.3.2014 | 31.3.2015   | 31.3.2014 |
| <b>Subsidiaries:</b>                                     |      |              |                          |                               |           |   |           |
| Sun God Trading And Investments Limited                  |      | SGTIL        | India                    | <b>100.00</b>                 | 100.00    | <b>100.00</b>   | 100.00    |
| Samruddhi Swastik Trading And Investments Limited        |      | SSTIL        | India                    | <b>100.00</b>                 | 100.00    | <b>100.00</b>   | 100.00    |
| Grasim Bhiwani Textiles Limited                          |      | GBTL         | India                    | <b>100.00</b>                 | 100.00    | <b>100.00</b>   | 100.00    |
| Aditya Birla Power Ventures Limited (upto 6th May, 2014) |      | ABPVL        | India                    | -                             | 100.00    | -   | 100.00    |
| UltraTech Cement Limited                                 |      | UltraTech    | India                    | <b>60.25</b>                  | 60.29     | <b>60.25</b>  | 60.29     |
| Dakshin Cements Limited                                  | *    | DCL          | India                    | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |
| UltraTech Cement Lanka Private Limited                   | *    | UTCLPL       | Sri Lanka                | <b>48.20</b>                  | 48.23     | <b>80.00</b>  | 80.00     |
| Harish Cement Limited                                    | *    | HCL          | India                    | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |
| UltraTech Cement Middle East Investment Limited          | *    | UCMEIL       | UAE                      | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |
| PT UltraTech Mining Indonesia                            | *%   | PUMI         | Indonesia                | <b>48.20</b>                  | 48.23     | <b>80.00</b>  | 80.00     |
| UltraTech Cement SA (PTY)                                | *^   | UCSA         | South Africa             | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |
| PT UltraTech Investments Indonesia                       | *+   | PTUCIA       | Indonesia                | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |
| Star Cement Co LLC                                       | #\$  | SCCLD        | UAE                      | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |
| Star Cement Co LLC, Ras-Al-Khaimah                       | #\$  | SCCLRAK      | UAE                      | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |
| Al Nakhla Crusher, LLC, Fujairah                         | #\$  | ANCL         | UAE                      | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |
| Arabian Cement Industry LLC, Abu Dhabi                   | #\$  | ACIL         | UAE                      | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |
| Arabian Gulf Cement Co WLL, Bahrain                      | #~   | AGCCW        | Bahrain                  | <b>60.25</b>                  | 60.29     | <b>100.00</b>   | 100.00    |

| Name of the Company   | Note | Abbreviation | Country of Incorporation | Grasim's Ownership Interest % |           | % Shareholding and Voting Power along with Subsidiaries |           |
|---|------|--------------|--------------------------|-------------------------------|-----------|---|-----------|
|   |      |              |                          | 31.3.2015                     | 31.3.2014 | 31.3.2015   | 31.3.2014 |
| Emirates Power Company Ltd.   | #    | EPCL         | Bangladesh               | 60.25                         | 60.29     | 100.00  | 100.00    |
| Emirates Cement Bangladesh Ltd.                                     | #    | ECBL         | Bangladesh               | 60.25                         | 60.29     | 100.00  | 100.00    |
| UltraTech Cement Mozambique Limitada                                | #^@  | UTCMEIL      | Mozambique               | 60.25                         | 60.29     | 100.00  | 100.00    |
| Gotan Limestone Khanij Udyog Private Ltd.                           | *    | GKU          | India                    | 60.25                         | 60.29     | 100.00  | 100.00    |
| PT UltraTech Cement Indonesia                                       | !    | PTUCI        | Indonesia                | 59.65                         | 59.69     | 99.00   | 99.00     |
| Bhagwati Lime Stone Company Private Limited (w.e.f 3rd April, 2013) | *    | BLCPL        | India                    | 60.25                         | 60.29     | 100.00  | 100.00    |
| Awam Mineral LLC, Oman (w.e.f. April 25, 2014)                      | #    | AML          | Oman                     | 30.73                         | -         | 51.00   | -         |
| PT UltraTech Mining Sumatera (w.e.f. 14th Oct, 2014)                | #    | PTUMS        | Indonesia                | 60.25                         | -         | 100.00  | -         |
| <b>Joint Venture Companies (JVs):</b>                               |      |              |                          |                               |           |   |           |
| 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     |
| Birla Jingwei Fibres Co. Limited                                    |      | BJFC         | China                    | 26.63                         | 31.00     | 26.63   | 31.00     |
| Birla Lao Pulp & Plantations Company Limited                        | ^    | BLPP         | Laos                     | 40.00                         | 40.00     | 40.00   | 40.00     |
| Bhubaneswari Coal Mining Limited                                    |      | BCML         | India                    | 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     |
| Bhaskarpara Coal Company Limited                                    | *    | BCCL         | India                    | 28.54                         | 28.56     | 47.37   | 47.37     |
| Madanpur (North) Coal Company Private Limited                       | *    | MCCPL        | India                    | 6.73                          | 6.73      | 11.17   | 11.17     |
| Aditya Group AB   |      | AGAB         | Sweden                   | 33.33                         | 33.33     | 33.33   | 33.33     |
| AV Terrace Bay Inc.   |      | AVTB         | Canada                   | 40.00                         | 40.00     | 40.00   | 40.00     |
| <b>Associates:</b>  |      |              |                          |                               |           |   |           |
| Aditya Birla Science & Technology Co. Private Ltd.                  |      | ABSTCL       | India                    | 39.00                         | 39.00     | 39.00   | 39.00     |
| Idea Cellular Ltd.  |      | Idea         | India                    | 4.75                          | 5.15      | 4.75  | 5.15      |

Symbols in the Note column above are explained as below:

| Symbol | Note  |
|--------|---|
| *      | Subsidiaries/Joint Ventures 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          |

**4.2.1** The Financial Statements of the Company, its Subsidiaries, JVs and Associates used in Consolidation are drawn upto the same reporting date as followed by the Company, i.e., 31st March, 2015 (Previous Year 31st March, 2014).

**4.2.2** Figures pertaining to the Subsidiary Companies and Joint Ventures have been reclassified, wherever necessary, to bring them in line with the Company's Financial Statements.

**4.2.3** In Consolidated Financial Statements of the Company, the Financial Statements of Joint Ventures Company, namely, Aditya Group AB (Consolidated), Sweden (AGAB) prepared in accordance with the International Financial Reporting Standards (IFRS) have been considered with adjustments for material items to consolidate the same in the CFS in accordance with the Group Accounting Policies which are as per Indian Generally Accepted Accounting Practices (GAAP).

For the purpose of Consolidated Financial Statements, Audited Financial Statements of the Joint Ventures Companies, namely, AV Terrace Bay Inc., Canada, AV Cell Inc., Canada, AV Nackawic Inc., Canada, prepared in accordance with IFRS have been considered, as it is not practicable to make adjustments in accordance with Indian GAAP.

**4.2.4** Disclosure in respect of the Foreign JVs are given to the extent of available information.

### 4.3 SIGNIFICANT EVENTS DURING THE YEAR:

**4.3.1** During the current year the Company has:

- (a) acquired 2,000,000 additional shares of AV Terrace Bay Inc., Canada (AVTB), at a cost of ₹ 11.01 Crore. There has been no change in the Ownership Percentage on account of this additional Investment.
- (b) acquired 840 additional shares of Birla Lao Pulp and Plantations Company Limited at a cost of ₹ 5.12 Crore. There has been no change in the Ownership Percentage on account of this additional Investment.
- (c) acquired 160,000 Redeemable Preference shares of Aditya Group AB (AGAB), at a cost of ₹ 49.25 Crore.

**4.3.2** During the current year the Company's equity holding:

- (a) in Birla Jingwei Fibre Co. Ltd (BJFCL), China has been diluted from 31% to 26.63% due to issue of equity shares at par to other Co- Venturer. Reduction in share of losses amounting to ₹ 22.19 Crore due to deemed disposal has been credited to reserves.
- (b) in Idea Cellular Ltd. has been diluted from 5.15 % to 4.75 % due to allotment of shares at a premium to eligible Qualified Institutional Buyers and on preferential basis. The gain of ₹ 107.88 Crore (net of impact of shareholding dilution), on account of Securities Premium received has been credited to reserves.

**4.3.3** The Supreme Court of India by its judgment dated August 25, 2014 read with its Order dated September 24, 2014 cancelled 204 coal blocks which had been allocated earlier for the purposes of mining coal for captive consumption. These include two coal blocks allotted to the UltraTech jointly with others, viz. Bhaskarpara and Madanpur (North) in Chhattisgarh. No mining activity has commenced on these blocks and the cancellation will not have any material adverse impact on the Company.

As regards its investment in the cancelled coal blocks, the UltraTech is likely to recover the majority of the amount from the new allottee, once the auction will be conducted for the above mines in terms of the ordinances promulgated by the Central Government.

**4.3.4** Acquisition of Cement manufacturing units in Gujarat:

The Hon'ble High Courts of judicature at Bombay and Allahabad have by their respective orders approved the Scheme of Arrangement between UltraTech Cement Ltd., a subsidiary of the Company (UltraTech) and Jaypee Cement Corporation Limited ("JCCL") and their respective shareholders and creditors ("the Scheme") for the acquisition of the Gujarat Units of JCCL inter alia comprising of an integrated cement plant at Sewagram and a grinding unit at Wanakbori with a combined cement capacity of 4.8 MTPA together with a thermal power plant of 57.5 MW.

The Scheme became effective from June 12, 2014, from which date all the assets and liabilities of the acquired Units have been transferred and vested into UltraTech.

In terms of the Scheme, consideration for the acquisition of the JCCL assets net of borrowings taken over have been discharged by way of issuing 1,41,643 equity shares of ₹ 10/- each, fully paid-up, of UltraTech to the equity and preference shareholders of JCCL towards the net consideration.

Accordingly, all the assets and transferred liabilities have been accounted for in the books of the account of the Company at the value appearing in the books of account of JCCL as on June 11, 2014 and in net, ₹ 117.59 Crores representing excess of assets over liabilities, has been credited in the books of UltraTech to the capital reserve account.

In view of above transaction of acquisition, the figures for the current year are not strictly comparable with those of the previous year.

**4.3.5** During the current year UltraTech has:

- (a) through its Board of Directors, approved acquisition of two cement plants of Jaiprakash Associates Limited (JAL) situated in Satna, Madhya Pradesh (MP) at an enterprise value of ₹ 5,325 crores. The transaction comprises of the acquisition of:
  - i. Integrated cement plant with clinker capacity of 2.1 MTPA and cement grinding capacity of 2.6 MTPA at Bela, MP
  - ii. Integrated cement plant with clinker capacity of 3.1 MTPA and cement grinding capacity of 2.3 MTPA at Sidhi, MP
  - iii. 180 MW TPP of which 25 MW is situated at Bela and 155 MW at Sidhi, MP.

The transaction is subject to the approval of shareholders and creditors, sanction of the Scheme of Arrangement by the High Courts, approval of the Competition Commission of India and all other statutory authorities.

- (b) through its wholly-owned subsidiary 'UltraTech Cement Middle East Investments Limited' (UCMEIL) has entered into Sales & Purchases Agreement with Awam LLC, Al Sayyid Mohamed Bin Abdulla Bin Hamad Al Busaidy for acquiring the controlling stake in the Gypsum business of Awam Minerals LLC located in Oman.

The total consideration for acquiring 51% was ₹ 57.21 Crores (USD 9.18 Million) out of which ₹ 20.60 Crores (USD 3.30 Million) is paid and balance of ₹ 36.61 Crores (USD 5.88 Million) is shown under liabilities. The company has a right to further acquire 19% stake at a predetermined price of ₹ 21.31 Crores (USD 3.42 Million) as per terms of the Sales & Purchases agreement.

**4.4 OTHER NOTES**

**4.4.1** Other Operating revenue includes VAT refund under State Investment Promotion Scheme, of ₹ 168.38 Crore (Previous Year ₹ 102.02 Crore) of UltraTech.

Interest and Wage Expenses are net of subsidy received, under State Investment Promotion Scheme, of ₹ 66.07 Crore (Previous year ₹ 61.54 Crore) and of ₹ 6.57 Crore (Previous year ₹ 6.36 Crore) respectively of UltraTech.

**4.4.2** Assets taken on Operating lease:

| ₹ in Crore |   |                     |               |
|------------|---|---------------------|---------------|
|            |   | <b>Current Year</b> | Previous Year |
| 1          | Operating Lease payments recognised in the Statement of Profit and Loss   | <b>145.49</b>       | 133.40        |
| 2          | General Description of Leasing Agreements:  |                     |               |
|            | (i) Lease Assets: Godowns, Offices, Flats, Land 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 |                     |               |



- 4.5** The Company's proportionate share in Assets, Liabilities, Income and Expenses of its Joint Venture Companies included in the Consolidated Financial Statements are given below:

#### 4.5.1 BALANCE SHEET

|  | ₹ in Crore                   |                              |
|--|------------------------------|------------------------------|
|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>EQUITY AND LIABILITIES</b>                    |                              |                              |
| <b>Shareholders' Funds</b>                       |                              |                              |
| Share Capital                                    | 704.33                       | 716.36                       |
| Share Capital (Other than Equity)                | 90.73                        | 61.03                        |
| Reserves and Surplus                             | 127.21                       | 341.90                       |
|  | 922.27                       | 1,119.29                     |
| <b>Share Application Money Pending Allotment</b> | 1.23                         | 1.25                         |
| <b>Non-Current Liabilities</b>                   |                              |                              |
| Long-Term Borrowings                             | 524.74                       | 571.53                       |
| Deferred Tax Liabilities (Net)                   | 9.05                         | 42.80                        |
| Other Long-Term Liabilities                      | -                            | -                            |
| Long-Term Provisions                             | 8.77                         | 8.72                         |
|  | 542.56                       | 623.05                       |
| <b>Current Liabilities</b>                       |                              |                              |
| Short-Term Borrowings                            | 421.14                       | 418.04                       |
| Trade Payables                                   | 129.18                       | 163.14                       |
| Other Current Liabilities                        | 89.52                        | 95.95                        |
| Short-Term Provisions                            | 3.76                         | 4.14                         |
|  | 643.60                       | 681.27                       |
| <b>TOTAL</b>                                     | <b>2,109.66</b>              | <b>2,424.86</b>              |
| <b>ASSETS</b>                                    |                              |                              |
| <b>Non-Current Assets</b>                        |                              |                              |
| Fixed Assets                                     |                              |                              |
| Tangible Assets                                  | 988.24                       | 1,171.37                     |
| Intangible Assets                                | 2.04                         | 3.19                         |
| Capital Work-in-Progress                         | 58.06                        | 52.57                        |
|  | 1,048.34                     | 1,227.13                     |
| Goodwill on Consolidation                        | 279.95                       | 355.57                       |
| Non-Current Investments                          | 0.39                         | 0.49                         |
| Deferred Tax Assets (Net)                        | 9.12                         | 2.38                         |
| Long-Term Loans and Advances                     | 100.04                       | 116.96                       |
| <b>Current Assets</b>                            |                              |                              |
| Current Investments                              | 28.66                        | 7.42                         |
| Inventories                                      | 327.86                       | 414.42                       |
| Trade Receivables                                | 245.58                       | 215.84                       |
| Cash and Bank Balances                           | 16.30                        | 22.31                        |
| Short-Term Loans and Advances                    | 45.70                        | 56.22                        |
| Other Current Assets                             | 7.72                         | 6.12                         |
|  | 671.82                       | 722.33                       |
| <b>TOTAL</b>                                     | <b>2,109.66</b>              | <b>2,424.86</b>              |
| <b>Contingent Liabilities</b>                    | 1.72                         | 1.98                         |
| <b>Capital Commitments (Net of Advances)</b>     | 5.45                         | 7.63                         |

#### 4.5.2 STATEMENT OF PROFIT AND LOSS

₹ in Crore

|   | Current Year    | Previous Year |
|---|-----------------|---------------|
| <b>REVENUE</b>  |                 |               |
| Sale of Products (includes Services Revenue)                                  | 2,114.20        | 2,009.77      |
| Other Operating Revenues  | 28.35           | 36.72         |
| <b>Revenue from Operations</b>  | <b>2,142.55</b> | 2,046.49      |
| Other Income  | 4.36            | 22.48         |
| <b>Total Revenue</b>  | <b>2,146.91</b> | 2,068.97      |
| <b>EXPENSES</b>   |                 |               |
| Cost of Materials Consumed  | 900.88          | 930.87        |
| Purchase of Stock-in-Trade  | 55.91           | 31.84         |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 18.10           | (65.50)       |
| Employee Benefits Expense   | 293.48          | 314.38        |
| Power and Fuel  | 258.63          | 304.80        |
| Freight and Handling Expenses   | 226.94          | 213.77        |
| Other Expenses  | 390.40          | 319.04        |
| <b>Total Expenses</b>   | <b>2,144.34</b> | 2,049.20      |
| <b>Profit Before Interest, Depreciation/Amortization and Tax</b>              | <b>2.57</b>     | 19.77         |
| Finance Costs   | 38.26           | 42.29         |
| Depreciation and Amortisation Expense   | 86.97           | 88.95         |
| <b>Profit/(Loss) Before Tax</b>   | <b>(122.66)</b> | (111.47)      |
| Provision for Current Tax   | 3.89            | 2.23          |
| Provision for Deferred Tax  | (30.56)         | (7.37)        |
| <b>Profit/(Loss) for the Year</b>   | <b>(95.99)</b>  | (106.33)      |

- 4.6** The Ministry of Textiles, vide its orders dated 30th June, 1997 and 1st July, 1999, has deleted cement from the list of commodities to be packed in Jute bags under the Jute Packaging (Compulsory Use in Packing Commodities) Act, 1987. In view of this, the Company does not expect any liability for non-dispatch of cement in Jute bags in respect of earlier years.

₹ in Crore

|  | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|--|------------------------------|------------------------------|
|--|------------------------------|------------------------------|

**4.7 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:****4.7.1 Claims/Disputed Liabilities not acknowledged as Debt**

|  |        |        |
|--|--------|--------|
| Custom Duty  | 132.65 | 120.90 |
| Sales Tax/Purchase Tax/VAT   | 307.54 | 168.90 |
| Excise Duty/Cenvat Credit/Service Tax  | 814.20 | 516.66 |
| Water Cess   | -      | 17.69  |
| Income Tax   | 156.88 | 144.36 |
| Various claims in respect of disputed liabilities of discontinued business in earlier year | 34.26  | 34.26  |
| Royalty on Limestone   | 294.58 | 233.97 |
| Others   | 359.61 | 286.28 |

Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

|  |              |       |
|--|--------------|-------|
| <b>4.7.2</b> Custom Duty Liability (Net of Cenvat Credit) which may arise if obligation for exports is not fulfilled against import of raw materials and machinery | <b>12.41</b> | 37.48 |
|--|--------------|-------|

**4.7.3** Corporate guarantees issued by Subsidiary/Joint Venture Companies as under:

|   |        |      |
|---|--------|------|
| a. To Financial Institutions/Government Authorities/Others for finance provided to Joint Ventures   | 4.00   | 7.74 |
| b. To Government Authority towards exemption for payment of excise duty   | 3.00   | -    |
| c. To Bank, by UltraTech, for assistance in arrangement of interest bearing loan to Jaiprakash Associates Ltd. as per their request with approval of Board. | 500.00 | -    |

|  |             |       |
|--|-------------|-------|
| <b>4.7.4</b> Bills discounted with Banks fully covered by buyers' letter of credit | <b>6.25</b> | 13.87 |
|--|-------------|-------|

**4.7.5** Based on the legal advise, UltraTech has challenged the order dated 20th June, 2012, of Competition Commission of India (CCI) imposing a penalty of ₹ 1,175.49 Crore for alleged cartelisation with certain other companies. UltraTech filed appeal against the order before Competition Appellate Tribunal (COMPAT). COMPAT has granted stay against the CCI order on deposit of ₹ 117.55 Crore.

UltraTech continues to believe that it has a good case based on legal opinion. Accordingly, no provision has been made.

|   |             |      |
|---|-------------|------|
| <b>4.8 DEFERRED PREFERENCE SHARE DIVIDEND</b> | <b>1.72</b> | 1.90 |
|---|-------------|------|

**4.9 CAPITAL AND OTHER COMMITMENTS:**

|  |                 |          |
|--|-----------------|----------|
| <b>4.9.1</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid) | <b>1,563.25</b> | 2,260.68 |
|--|-----------------|----------|

**4.10 SEGMENT REPORTING****4.10.1 Primary Segment Reporting (by Business Segment)**

Primary Segment have been identified based on the nature of products and services, the different risks and returns and the Internal reporting structure.

The Company considers Business Segment as the Primary Segment for disclosure. Details of products included in each of the segments 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                               |

Inter-segment transfers of independent marketable products are at market rates.

Unallocated items include general corporate income, expense, assets and liabilities which are not allocated to any business segment.

Information about Business Segments (Current Year):

|  | ₹ in Crore      |                 |                  |               |                 |                  |
|--|-----------------|-----------------|------------------|---------------|-----------------|------------------|
|  | Fibre & Pulp    | Chemicals       | Cement           | Others        | Eliminations    | Total            |
| <b>REVENUE</b>   |                 |                 |                  |               |                 |                  |
| Gross Sales (External)                                       | 6,935.68        | 1,399.43        | 27,118.38        | 613.64        | -               | 36,067.13        |
| Gross Sales (Inter-Segment)                                  | 51.99           | 455.99          | 9.06             | 0.24          | (517.28)        | -                |
| <b>Total Gross Sales (Note 3.1)</b>                          | <b>6,987.67</b> | <b>1,855.42</b> | <b>27,127.44</b> | <b>613.88</b> | <b>(517.28)</b> | <b>36,067.13</b> |
| Other Income (including Other Operating Revenues)            | 119.69          | 28.77           | 324.90           | 28.72         | (11.60)         | 490.48           |
| Unallocated Corporate Other Income                           |                 |                 |                  |               |                 | 458.19           |
| <b>Total Other Income</b>                                    | <b>119.69</b>   | <b>28.77</b>    | <b>324.90</b>    | <b>28.72</b>  | <b>(11.60)</b>  | <b>948.67</b>    |
| <b>Total Revenue</b>   | <b>7,107.36</b> | <b>1,884.19</b> | <b>27,452.34</b> | <b>642.60</b> | <b>(528.88)</b> | <b>37,015.80</b> |
| <b>RESULTS</b>   |                 |                 |                  |               |                 |                  |
| <b>Segment Result (PBIT)</b>                                 | <b>217.60</b>   | <b>197.62</b>   | <b>3,272.65</b>  | <b>49.05</b>  | <b>(4.23)</b>   | <b>3,732.69</b>  |
| Unallocated Corporate Income/(Expenses)                      |                 |                 |                  |               |                 | 387.51           |
| Finance Costs  |                 |                 |                  |               |                 | (667.39)         |
| <b>Profit before Exceptional items &amp; Tax</b>             |                 |                 |                  |               |                 | <b>3,452.81</b>  |
| Exceptional Items  |                 |                 |                  |               |                 | (9.46)           |
| <b>Profit Before Tax</b>                                     |                 |                 |                  |               |                 | <b>3,443.35</b>  |
| Provision for Current Tax                                    |                 |                 |                  |               |                 | 628.78           |
| MAT Credit   |                 |                 |                  |               |                 | (598.95)         |
| Provision for Tax of Earlier Years Written Back              |                 |                 |                  |               |                 | (2.28)           |
| Deferred Tax   |                 |                 |                  |               |                 | 988.37           |
| <b>Profit After Tax</b>                                      |                 |                 |                  |               |                 | <b>2,427.43</b>  |
| Add: Share in Profit of Associates                           |                 |                 |                  |               |                 | 154.23           |
| Less: Minority Interest                                      |                 |                 |                  |               |                 | (837.86)         |
| <b>Net Profit</b>  |                 |                 |                  |               |                 | <b>1,743.80</b>  |
| <b>OTHER INFORMATION</b>                                     |                 |                 |                  |               |                 |                  |
| <b>Segment Assets</b>  | <b>7,979.63</b> | <b>2,147.95</b> | <b>35,367.50</b> | <b>458.69</b> | <b>(9.65)</b>   | <b>45,944.12</b> |
| Unallocated Corporate Assets                                 |                 |                 |                  |               |                 | 8,109.45         |
| <b>Total Assets</b>  |                 |                 |                  |               |                 | <b>54,053.57</b> |
| <b>Segment Liabilities</b>                                   | <b>866.43</b>   | <b>226.35</b>   | <b>5,309.27</b>  | <b>138.82</b> | <b>(5.44)</b>   | <b>6,535.43</b>  |
| Unallocated Corporate Liabilities                            |                 |                 |                  |               |                 | 16,696.60        |
| Minority Interest  |                 |                 |                  |               |                 | 7,681.79         |
| <b>Total Liabilities</b>                                     |                 |                 |                  |               |                 | <b>30,913.82</b> |
| <b>Capital Expenditure</b>                                   | <b>374.81</b>   | <b>94.01</b>    | <b>2,846.81</b>  | <b>20.51</b>  | <b>-</b>        | <b>3,336.14</b>  |
| Unallocated Corporate Capital Expenditure                    |                 |                 |                  |               |                 | 71.70            |
| <b>Total Capital Expenditure</b>                             |                 |                 |                  |               |                 | <b>3,407.84</b>  |
| <b>Depreciation and Amortisation</b>                         | <b>241.67</b>   | <b>94.22</b>    | <b>1,203.42</b>  | <b>17.17</b>  | <b>-</b>        | <b>1,556.48</b>  |
| Unallocated Corporate Depreciation and Amortisation          |                 |                 |                  |               |                 | 6.74             |
| <b>Total Depreciation and Amortisation</b>                   |                 |                 |                  |               |                 | <b>1,563.22</b>  |
| <b>Significant Non-Cash Expenses other than Depreciation</b> |                 |                 |                  |               |                 | <b>17.22</b>     |

## Information about Business Segments (Previous Year):

|  | ₹ in Crore      |                 |                  |               |                 |                  |
|--|-----------------|-----------------|------------------|---------------|-----------------|------------------|
|  | Fibre & Pulp    | Chemicals       | Cement           | Others        | Eliminations    | Total            |
| <b>REVENUE</b>   |                 |                 |                  |               |                 |                  |
| Gross Sales (External)                                       | 6,579.76        | 904.04          | 24,144.49        | 597.27        | -               | 32,225.56        |
| Gross Sales (Inter-Segment)                                  | 56.69           | 282.26          | 24.03            | 0.76          | (363.74)        | -                |
| <b>Total Gross Sales (Note 3.1)</b>                          | <b>6,636.45</b> | <b>1,186.30</b> | <b>24,168.52</b> | <b>598.03</b> | <b>(363.74)</b> | <b>32,225.56</b> |
| Other Income (including Other Operating Revenues)            | 155.07          | 9.96            | 258.93           | 18.90         | (13.92)         | 428.94           |
| Unallocated Corporate Other Income                           |                 |                 |                  |               |                 | 466.91           |
| <b>Total Other Income</b>                                    | <b>155.07</b>   | <b>9.96</b>     | <b>258.93</b>    | <b>18.90</b>  | <b>(13.92)</b>  | <b>895.85</b>    |
| <b>Total Revenue</b>   | <b>6,791.52</b> | <b>1,196.26</b> | <b>24,427.45</b> | <b>616.93</b> | <b>(377.66)</b> | <b>33,121.41</b> |
| <b>RESULTS</b>   |                 |                 |                  |               |                 |                  |
| <b>Segment Result (PBIT)</b>                                 | <b>481.33</b>   | <b>160.57</b>   | <b>2,946.87</b>  | <b>36.84</b>  | <b>1.06</b>     | <b>3,626.67</b>  |
| Unallocated Corporate Income/(Expenses)                      |                 |                 |                  |               |                 | 406.87           |
| Finance Costs  |                 |                 |                  |               |                 | (447.32)         |
| <b>Profit Before Tax</b>                                     |                 |                 |                  |               |                 | <b>3,586.22</b>  |
| Provision for Current Tax                                    |                 |                 |                  |               |                 | 751.13           |
| MAT Credit   |                 |                 |                  |               |                 | (392.28)         |
| Provision for Tax of Earlier Years Written Back              |                 |                 |                  |               |                 | (124.74)         |
| Deferred Tax   |                 |                 |                  |               |                 | 500.68           |
| <b>Profit After Tax</b>                                      |                 |                 |                  |               |                 | <b>2,851.43</b>  |
| Add: Share in Profit of Associates                           |                 |                 |                  |               |                 | 102.87           |
| Less: Minority Interest                                      |                 |                 |                  |               |                 | (882.76)         |
| <b>Net Profit</b>  |                 |                 |                  |               |                 | <b>2,071.54</b>  |
| <b>OTHER INFORMATION</b>                                     |                 |                 |                  |               |                 |                  |
| <b>Segment Assets</b>  | <b>7,929.13</b> | <b>2,076.05</b> | <b>29,109.81</b> | <b>406.73</b> | <b>(6.25)</b>   | <b>39,515.47</b> |
| Unallocated Corporate Assets                                 |                 |                 |                  |               |                 | 8,232.31         |
| <b>Total Assets</b>  |                 |                 |                  |               |                 | <b>47,747.78</b> |
| <b>Segment Liabilities</b>                                   | <b>735.93</b>   | <b>187.80</b>   | <b>4,659.66</b>  | <b>131.88</b> | <b>(4.10)</b>   | <b>5,711.17</b>  |
| Unallocated Corporate Liabilities                            |                 |                 |                  |               |                 | 13,486.37        |
| Minority Interest  |                 |                 |                  |               |                 | 6,935.84         |
| <b>Total Liabilities</b>                                     |                 |                 |                  |               |                 | <b>26,133.38</b> |
| <b>Capital Expenditure</b>                                   | <b>787.20</b>   | <b>266.12</b>   | <b>2,384.67</b>  | <b>16.71</b>  | <b>-</b>        | <b>3,454.70</b>  |
| Unallocated Corporate Capital Expenditure                    |                 |                 |                  |               |                 | 18.59            |
| <b>Total Capital Expenditure</b>                             |                 |                 |                  |               |                 | <b>3,473.29</b>  |
| <b>Depreciation and Amortisation</b>                         | <b>234.48</b>   | <b>64.82</b>    | <b>1,139.00</b>  | <b>16.44</b>  | <b>-</b>        | <b>1,454.74</b>  |
| Unallocated Corporate Depreciation and Amortisation          |                 |                 |                  |               |                 | 2.74             |
| <b>Total Depreciation and Amortisation</b>                   |                 |                 |                  |               |                 | <b>1,457.48</b>  |
| <b>Significant Non-Cash Expenses other than Depreciation</b> |                 |                 |                  |               |                 | <b>4.11</b>      |

## 4.10.2 Secondary Segment Reporting (by Geographic Segment)

|  | Current Year     | Previous Year |
|--|------------------|---------------|
| <b>Segment Revenues (Gross Sales):</b> |                  |               |
| India                                  | <b>31,035.43</b> | 27,324.15     |
| Rest of the World                      | <b>5,031.70</b>  | 4,901.41      |
| <b>Total</b>                           | <b>36,067.13</b> | 32,225.56     |
| <b>Segment Assets:</b>                 |                  |               |
| India                                  | <b>40,518.37</b> | 34,192.34     |
| Rest of the World                      | <b>5,425.75</b>  | 5,323.13      |
| <b>Total</b>                           | <b>45,944.12</b> | 39,515.47     |
| <b>Capital Expenditure:</b>            |                  |               |
| India                                  | <b>3,164.32</b>  | 3,250.51      |
| Rest of the World                      | <b>171.82</b>    | 204.19        |
| <b>Total</b>                           | <b>3,336.14</b>  | 3,454.70      |

#### 4.11 RELATED PARTY TRANSACTIONS

##### 4.11.1 Related Parties with whom transactions have taken place during the year :

###### Joint Ventures:

|  |   |
|--|---|
| AV Cell Inc., Canada                               | Aditya Group AB, Sweden                         |
| AV Nackawic Inc., Canada,                          | AV Terrace Bay Inc., Canada                     |
| Birla Jingwei Fibres Company Limited, China        | Bhubaneswari Coal Mining Limited                |
| Birla Lao Pulp & Plantations Company Limited, Laos | Madanpur (North) Coal Company (Private) Limited |
| Aditya Birla Elyaf Sanayi Ve Ticaret               | Bhaskarpara Coal Company Limited                |
| Anonim Sirketi, Turkey                             |   |

###### Associates:

|                                   |                       |
|-----------------------------------|-----------------------|
| Aditya Birla Science & Technology | Idea Cellular Limited |
| Company Private Limited           |                       |

###### Key Management Personnel:

|  |
|--|
| Shri K. K. Maheshwari, Managing Director |
| Shri Adesh Gupta, Whole-time Director    |
| Shri O.P. Puranmalka, Managing Director, |
| UltraTech Cement Ltd.                    |

###### Relatives of Key Management Personnel:

|  |
|--|
| Relative (wife) of Shri Adesh Gupta:     |
| Smt. Usha Gupta                          |
| Relative (wife) of Shri O.P. Puranmalka: |
| Smt. Sita Puranmalka                     |

|   | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|---|------------------------------|------------------------------|
| ₹ in Crore  |                              |                              |
| <b>4.11.2 Nature of Transactions:</b>   |                              |                              |
| <b>(a) Sales and Services (Gross)</b>   |                              |                              |
| Birla Jingwei Fibres Co. Limited  | 106.97                       | 52.68                        |
| <b>Total</b>  | <b>106.97</b>                | <b>52.68</b>                 |
| <b>(b) Interest and Other Income</b>  |                              |                              |
| AV Cell, Inc.   | 1.98                         | 2.19                         |
| Aditya Birla Science & Technology Company Private Limited                                   | 1.09                         | 0.89                         |
| Idea Cellular Limited   | 0.02                         | -                            |
| <b>Total</b>  | <b>3.09</b>                  | <b>3.08</b>                  |
| <b>(c) Dividend Received</b>  |                              |                              |
| Idea Cellular Limited   | 6.84                         | 5.13                         |
| <b>Total</b>  | <b>6.84</b>                  | <b>5.13</b>                  |
| <b>(d) Purchase of Goods/Payment of Other Services (Net of Cenvat Credit, if available)</b> |                              |                              |
| AV Cell, Inc.   | 249.38                       | 230.86                       |
| AV Nackawic, Inc.   | 256.04                       | 210.27                       |
| Aditya Group AB   | 398.48                       | 497.16                       |
| Aditya Birla Science & Technology Company Private Limited                                   | 22.87                        | 21.35                        |
| Idea Cellular Limited   | 0.89                         | 0.60                         |
| Relatives of Key Management Personnel   | 0.25                         | 0.23                         |
| <b>Total</b>  | <b>927.91</b>                | <b>960.47</b>                |
| <b>(e) Managerial Remuneration Paid</b>   |                              |                              |
| Shri. K. K. Maheshwari, Managing Director   | 8.05                         | 8.35                         |
| Shri. Adesh Gupta, Whole-time Director & CFO  | 2.85                         | 3.27                         |
| Shri O. P. Puranmalka, Managing Director (UltraTech)  | 7.42                         | 9.15                         |
| <b>Total</b>  | <b>18.32</b>                 | <b>20.77</b>                 |
| <b>(f) Repayment against Finance Provided</b>   |                              |                              |
| Aditya Birla Science & Technology Company Limited   | -                            | 0.01                         |
| <b>Total</b>  | <b>-</b>                     | <b>0.01</b>                  |

|   |                              | ₹ in Crore                   |
|---|------------------------------|------------------------------|
|   | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| <b>(g) Investment in Equity Shares/Debentures/Preference Shares</b> |                              |                              |
| Aditya Group AB, Sweden   | 49.25                        | -                            |
| Birla Lao Pulp & Plantations Company Limited                        | 5.13                         | 7.71                         |
| AV Terrace Bay Inc.   | 11.01                        | 46.52                        |
| <b>Total</b>  | <b>65.39</b>                 | <b>54.23</b>                 |
| <b>(h) Advance Given against Equity</b>                             |                              |                              |
| Madanpur (North) Coal Company (Private) Limited                     | -                            | 0.05                         |
| Bhaskarpara Coal Company Limited                                    | -                            | 1.69                         |
| <b>Total</b>  | <b>-</b>                     | <b>1.74</b>                  |
| <b>(i) Purchase of Fixed Assets</b>                                 |                              |                              |
| Aditya Birla Science & Technology Company Private Limited           | 0.14                         | -                            |
| <b>Total</b>  | <b>0.14</b>                  | <b>-</b>                     |
| <b>Outstanding Balances as on the year end</b>                      |                              |                              |
| <b>(j) Trade Payables</b>   |                              |                              |
| AV Cell, Inc.   | 34.67                        | 11.40                        |
| AV Nackawic, Inc.   | 41.80                        | 18.68                        |
| Aditya Group AB   | 31.04                        | 55.87                        |
| Aditya Birla Science & Technology Company Private Limited           | 10.22                        | 1.44                         |
| <b>Total</b>  | <b>117.73</b>                | <b>87.39</b>                 |
| <b>(k) Other Current Liabilities</b>                                |                              |                              |
| Aditya Birla Science & Technology Company Private Limited           | 0.25                         | -                            |
| <b>Total</b>  | <b>0.25</b>                  | <b>-</b>                     |
| <b>(l) Trade Receivables</b>  |                              |                              |
| Birla Jingwei Fibres Company Limited, China                         | 9.57                         | 17.63                        |
| <b>Total</b>  | <b>9.57</b>                  | <b>17.63</b>                 |
| <b>(m) Advance Given against Equity</b>                             |                              |                              |
| Madanpur (North) Coal Company (Private) Limited                     | 0.05                         | 0.05                         |
| Bhaskarpara Coal Company Limited                                    | 2.49                         | 2.55                         |
| <b>Total</b>  | <b>2.54</b>                  | <b>2.60</b>                  |
| <b>(n) Long-Term Loans and Advances</b>                             |                              |                              |
| AV Cell, Inc.   | 33.10                        | 36.63                        |
| Aditya Birla Science & Technology Company Private Limited           | 11.83                        | 10.43                        |
| Relatives of Key Management Personnel                               | 0.98                         | 2.48                         |
| <b>Total</b>  | <b>45.91</b>                 | <b>49.54</b>                 |
| <b>(o) Short-Term Loans and Advances</b>                            |                              |                              |
| Aditya Birla Science & Technology Company Private Limited           | 34.29                        | 35.68                        |
| Key Management Personnel  | 1.50                         | -                            |
| <b>Total</b>  | <b>35.79</b>                 | <b>35.68</b>                 |
| <b>(p) Other Current Asset</b>                                      |                              |                              |
| AV Terrace Bay Inc.   | -                            | 0.01                         |
| <b>Total</b>  | <b>-</b>                     | <b>0.01</b>                  |
| <b>(q) Guarantees and Collaterals</b>                               |                              |                              |
| Madanpur (North) Coal Company (Private) Limited                     | -                            | 3.65                         |
| Bhaskarpara Coal Company Limited                                    | 4.00                         | 4.00                         |
| <b>Total</b>  | <b>4.00</b>                  | <b>7.65</b>                  |

Note: Transaction with Joint Ventures are reported at full Values.



## 4.12 RETIREMENT BENEFITS

### 4.12.1 Defined Benefit Plans as per Actuarial Valuation:

#### 4.12.1.1 Gratuity and Pension:

Gratuity: The employee's gratuity fund is managed by a Trust. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by Accounting Standard (AS)-15-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 obligation.

| ₹ in Crore  |                   |               |               |               |
|---|-------------------|---------------|---------------|---------------|
|   | Gratuity (Funded) |               | Pension       |               |
|   | Current Year      | Previous Year | Current Year  | Previous Year |
| <b>(i) Reconciliation of Present Value of the Obligation:</b>   |                   |               |               |               |
| Opening Defined Benefit Obligation  | <b>430.36</b>     | 419.78        | <b>16.34</b>  | 17.61         |
| Adjustment of:  |                   |               |               |               |
| Current Service Cost  | <b>29.77</b>      | 30.54         | -             | -             |
| Interest Cost   | <b>39.56</b>      | 34.29         | <b>1.40</b>   | 1.34          |
| Actuarial Loss/(Gain)   | <b>44.29</b>      | (29.83)       | <b>1.14</b>   | (0.50)        |
| Liability transferred from JCCL pursuant to Scheme of Arrangement (Note 4.3.4)                                  | <b>1.43</b>       | -             | -             | -             |
| Liability assumed on acquisition/(settled on divesture)   | <b>(1.01)</b>     | -             | -             | -             |
| Benefits Paid   | <b>(32.50)</b>    | (24.42)       | <b>(2.09)</b> | (2.11)        |
| <b>Closing Defined Benefit Obligation</b>   | <b>511.90</b>     | 430.36        | <b>16.79</b>  | 16.34         |
| <b>(ii) Reconciliation of Fair Value of the Plan Assets:</b>  |                   |               |               |               |
| Opening Fair Value of the Plan Assets   | <b>452.04</b>     | 419.15        | -             | -             |
| Adjustment of:  |                   |               |               |               |
| Expected Return on Plan Assets  | <b>33.92</b>      | 31.44         | -             | -             |
| Actuarial Loss/(Gain)   | <b>14.07</b>      | 7.60          | -             | -             |
| Contributions by the Employer   | <b>45.03</b>      | 18.27         | <b>2.09</b>   | 2.11          |
| Liability transferred from JCCL pursuant to Scheme of Arrangement   | <b>1.43</b>       | -             | -             | -             |
| Assets acquired on acquisition/(settled on divesture)   | <b>(1.01)</b>     | -             | -             | -             |
| Benefits Paid   | <b>(32.50)</b>    | (24.42)       | <b>(2.09)</b> | (2.11)        |
| <b>Closing Fair Value of the Plan Assets</b>  | <b>512.98</b>     | 452.04        | -             | -             |
| <b>(iii) Net Liabilities/(Assets) recognised in the Balance Sheet:</b>  |                   |               |               |               |
| Present Value of the Funded Defined Benefit Obligation at the end of the period                                 | <b>511.90</b>     | 430.36        | <b>16.79</b>  | 16.34         |
| Fair value of Plan Assets   | <b>512.98</b>     | 452.04        | -             | -             |
| <b>Net Liabilities/ (Assets) recognised in the Balance Sheet</b>  | <b>(1.08)</b>     | (21.68)       | <b>16.79</b>  | 16.34         |
| <b>(iv) Amount recognized in Salaries, Wages and Employee Benefits in the Statement of Profit and Loss as :</b> |                   |               |               |               |
| Current Service cost  | <b>29.77</b>      | 30.54         | -             | -             |
| Interest on Defined Benefit Obligations   | <b>39.56</b>      | 34.29         | <b>1.40</b>   | 1.34          |
| Expected Return on Plan Assets  | <b>(33.92)</b>    | (31.44)       | -             | -             |
| Net Actuarial Loss/(Gain) recognised during the year  | <b>30.23</b>      | (37.43)       | <b>1.14</b>   | (0.50)        |
| Net Cost  | <b>65.64</b>      | (4.04)        | <b>2.54</b>   | 0.84          |
| Capitalised as Pre-Operative Expenses in respect of Project and other adjustments                               | <b>(1.31)</b>     | -             | -             | -             |
| <b>Net Charge to the Statement of Profit and Loss</b>   | <b>64.33</b>      | (4.04)        | <b>2.54</b>   | 0.84          |

₹ in Crore

|   | Gratuity (Funded)                         |   | Pension                               |                                       |
|---|---|---|---------------------------------------|---------------------------------------|
|   | Current Year                              | Previous Year                             | Current Year                          | Previous Year                         |
| <b>(v) Actual Return on Plan Assets:</b>                                |   |   |                                       |                                       |
| Expected Return on Plan Assets  | 33.92                                     | 31.44                                     | N.A.                                  | N.A.                                  |
| Actuarial Gain/(Loss) on Plan Assets                                    | 14.07                                     | 7.60                                      | N.A.                                  | N.A.                                  |
| <b>Actual Return on Plan Assets</b>                                     | <b>47.99</b>                              | <b>39.04</b>                              | <b>N.A.</b>                           | <b>N.A.</b>                           |
| <b>(vi) Investment Details of Plan Assets:</b>                          |   |   |                                       |                                       |
| Government of India Securities  | 4%  | 4%  | N.A.                                  | N.A.                                  |
| Corporate Bonds   | 3%  | 4%  | N.A.                                  | N.A.                                  |
| Insurer Managed Fund  | 91%                                       | 91%                                       | N.A.                                  | N.A.                                  |
| Others  | 2%  | 1%  | N.A.                                  | N.A.                                  |
| <b>Total</b>  | <b>100%</b>                               | <b>100%</b>                               | <b>N.A.</b>                           | <b>N.A.</b>                           |
| <b>(vii) Principal Actuarial Assumptions at the Balance Sheet Date:</b> |   |   |                                       |                                       |
| Discount Rate   | 7.89% to 8.00%                            | 9.10% to 9.15%                            | 7.89% to 8.00%                        | 9.10% to 9.15%                        |
| Estimated Rate of Return on Plan Assets                                 | 7.50% to 8.00%                            | 7.50% to 8.00%                            | -                                     | -                                     |
| Salary Escalation rate  | 7.50% to 8.00%                            | 8.00% to 8.50%                            | -                                     | -                                     |
| Mortality   | Indian Assured (2006-08) mortality tables | Indian Assured (2006-08) mortality tables | PA (90) annuity rates down by 4 years | PA (90) annuity rates down by 4 years |

**Note:** There are no amounts included in the Fair Value of Plan Assets for:

- The Fair Value of the Plan Assets includes 8.8% Non-Convertible Debentures of a subsidiary company of the face value of ₹ 1.20 Crore purchased at ₹ 1.19 Crore.
- There are no amount included in the Fair Value of Plan Assets for:
  - Company's own financial instrument other than those mentioned in (a) above
  - Property occupied by or other assets used by the Company
- The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

#### 4.12.1.2 Experience Adjustments:

##### (a) Gratuity (Funded):

| Particulars                              | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|--|---------|---------|---------|---------|---------|
| Defined Benefit Obligation               | 511.90  | 430.36  | 419.78  | 361.81  | 314.07  |
| Fair Value of Plan Assets                | 512.97  | 452.04  | 419.15  | 360.30  | 306.70  |
| Surplus/(Deficit)                        | 1.07    | 21.68   | (0.63)  | (1.51)  | (7.37)  |
| Expected Adjustments on Plan Liabilities | 6.77    | 0.77    | 10.34   | 16.18   | 9.94    |
| Expected Adjustments on Plan Assets      | 14.07   | 7.61    | 9.27    | 2.98    | 2.65    |

##### (b) Pension Liabilities:

|  |        |        |         |        |         |
|--|--------|--------|---------|--------|---------|
| Defined Benefit Obligation               | 9.61   | 9.53   | 10.21   | 9.89   | 10.41   |
| Fair Value of Plan Assets                | -      | -      | -       | -      | -       |
| Surplus/(Deficit)                        | (9.61) | (9.53) | (10.21) | (9.89) | (10.41) |
| Expected Adjustments on Plan Liabilities | (0.01) | 0.27   | 0.36    | 0.11   | 0.35    |

**Note:** The obligation for compensated absence is recognized in the same manner as gratuity, amounting to charge of ₹ 46.49 Crore (Previous Year charge ₹ 16.30 Crore).

**4.12.1.3** The best estimate of the expected Contribution for the next year amounts to ₹ 26.05 Crore (Previous Year ₹ 17.65 Crore).

#### 4.12.2 Defined Contribution Plans:

Amount recognised as expense and included in the Note 3.7 "Contribution to Provident and Other Funds" ₹ 93.89 Crore (Previous Year ₹ 85.07 Crore).

#### 4.13 DISCLOSURE OF DERIVATIVE INSTRUMENTS

##### 4.13.1 Derivative Instruments as on 31st March, 2015:

|  |                         | in Crore |              |               |
|--|-------------------------|----------|--------------|---------------|
| Type of Instrument   | Type of Exposure        | Currency | Current Year | Previous Year |
| (a) Forward Contracts (For hedging of foreign currency exposures)                                  | Exports (Receivables)   | USD      | 1.80         | 0.51          |
|  |                         | SEK      | 2.60         | -             |
|  |                         | CNH      | 0.82         | -             |
|  |                         | EURO     | 1.88         | 0.44          |
|  | Buyer's Credit          | USD      | -            | 0.85          |
|  | ECB*                    | USD      | -            | 0.09          |
|  |                         | JPY      | -            | 3.83          |
|  |                         | JPY      | 30.00        | -             |
|  | Others                  | EURO     | 0.03         | 0.07          |
|  |                         | USD      | 0.09         | 0.03          |
| (b) Currency and Interest Rate Swaps (For hedging of foreign currency and interest rate exposures) | Imports (Payables)      | EURO     | -            | 0.67          |
|  |                         | EURO     | 0.21         | 0.37          |
|  |                         | USD      | 6.64         | 10.44         |
|  |                         | JPY      | 2.60         | -             |
|  | ECB*                    | USD      | 40.28        | 40.28         |
|  |                         | JPY      | 816.64       | 976.17        |
|  | ECB*                    | USD      | 14.51        | 14.51         |
|  |                         | JPY      | 540.00       | 350.00        |
|  | (c) Principal only Swap | JPY      | 540.00       | 350.00        |
|  |                         | USD      | 540.00       | 350.00        |

\* ECB- External Commercial Borrowings

##### 4.13.2 Derivatives for hedging South African Coal price risk (from floating price to fixed price), outstanding as on March 31, 2015 are as under:

|                                      |                                   | in Crore |              |
|--------------------------------------|-----------------------------------|----------|--------------|
| Particulars                          | Quantity Hedged (Metric Tonne)    | Currency | Current Year |
| South African Coal Fixed Price Swaps | 500,000 (Previous Year : 150,000) | USD      | 2.93         |

##### 4.13.3 Unhedged Foreign Currency Exposure as on 31st March, 2015:

|                       |                  | Equivalent ₹ in Crore                 |              |               |              |
|-----------------------|------------------|---------------------------------------|--------------|---------------|--------------|
| Type of Exposure      | Foreign Currency | Amount in Foreign Currency (In Crore) | Current Year | Previous Year | Current Year |
| Exports (Receivables) | USD              | 4.54                                  | 5.75         | 283.60        | 344.36       |
|                       | CNH              | 0.44                                  | -            | 4.44          | -            |
|                       | Euro             | 0.03                                  | 0.02         | 1.79          | 1.86         |
| Imports (Payables)    | USD              | 0.20                                  | 0.28         | 12.38         | 16.49        |
|                       | Euro             | 0.12                                  | 0.05         | 8.12          | 3.91         |
| Bank Balances         | USD              | 0.17                                  | 0.21         | 10.79         | 12.87        |
|                       | Euro             | -                                     | 0.01         | -             | 0.89         |
| Borrowings            | USD              | 6.17                                  | 7.69         | 385.48        | 460.71       |
|                       | JPY              | -                                     | 220.00       | -             | 129.43       |
| Loans (Receivables)   | CAD              | 0.68                                  | 0.68         | 33.34         | 36.89        |

Form AOC-1

Statement containing salient features: Pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013 read with Rule 5 of 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 in subsidiary companies -Treasury Bill | Net Turnover | Profit / (Loss) Before Taxation | Provision for Taxation | Profit/ (Loss) After Taxation | Proposed Dividend (Including Corporate Dividend Tax) | % of shareholding |
|---------|--|---------|------------------|---|--|---|--|---|--------------|---------------------------------|------------------------|-------------------------------|--|-------------------|
| 1       | Sannudhi Swastik Trading And Investments Limited.              | 2014-15 | ₹                | 6.50  | 30.60  | 6.78  | 0.93   | 31.25   | -            | 2.77                            | 0.98                   | 1.79                          | -  | 100%              |
| 2       | Sun Geo Trading And Investments Limited.                       | 2013-14 | ₹                | 6.50  | 28.80  | 4.22  | 0.88   | 31.94   | -            | 4.08                            | 1.17                   | 2.91                          | -  | 100%              |
| 3       | Grasim Bhawan Textiles Limited (GBTL)                          | 2013-14 | ₹                | 0.05  | 0.40   | 0.09  | ₹12,36,00  | 0.36  | -            | 0.04                            | 0.01                   | 0.03                          | -  | 100%              |
| 4       | Ultratech Cement Limited (UCL) - Gandhinagar                   | 2013-14 | ₹                | 20.05   | 88.17  | 306.72  | 188.98   | 444.57  | 444.57       | 16.97                           | 3.06                   | 13.91                         | -  | 100%              |
| 5       | Ultratech Cement Limited (UCL) - Dahanu                        | 2013-14 | ₹                | 274.40  | 18,583.28  | 30,006.20   | 16,357.27  | 4,507.44  | 22,656.48    | 2,886.25                        | 871.52                 | 2,014.73                      | 281.24   | 60.25%            |
| 6       | Harish Cement Limited  | 2013-14 | ₹                | 0.05  | 0.05   | 449.988   | ₹30,194  | 4,871.14  | 20,077.88    | 2,776.53                        | 631.04                 | 2,144.47                      | 288.77   | 60.25%            |
| 7       | Goran Limestone Khami Udyog Pvt. Ltd.                          | 2013-14 | ₹                | 2.32  | 19.46  | 22.70   | 0.92   | -   | -            | 7.96                            | (2.45)                 | (2.47)                        | -  | 60.25%            |
| 8       | Brigwadi Lime Stone Company Pvt. Ltd.                          | 2013-14 | ₹                | 2.00  | 4.60   | 21.20   | 2.80   | -   | 8.73         | (2.30)                          | 0.06                   | (2.24)                        | -  | 60.25%            |
| 9       | Ultratech Cement Lanka Pvt. Ltd.                               | 2013-14 | SLR              | 0.01  | (0.15)   | 1.84  | 0.02   | -   | -            | (0.02)                          | -                      | (0.02)                        | -  | 60.25%            |
| 10      | Ultratech Cement Middle East Investment Ltd. (Sardone)         | 2013-14 | ₹                | 50.00   | 123.41   | 223.54  | 50.13  | -   | 1,031.48     | 88.69                           | 24.58                  | 62.10                         | 40.00  | 48.20%            |
| 11      | Star Cement Co LLC, Dubai                                      | 2013-14 | AED              | 66.33   | 57.73  | 104.59  | 23.46  | -   | 481.19       | 40.29                           | 11.42                  | 28.87                         | 32.66  | 48.23%            |
| 12      | Arabian Cement Industry LLC, Abu Dhabi                         | 2013-14 | AED              | 3.95  | 13.88  | 261.38  | 68.81  | -   | 954.18       | 99.13                           | 21.96                  | 71.17                         | 40.00  | 60.25%            |
| 13      | Star Cement Co LLC, Ras Al Khaimah                             | 2013-14 | AED              | 16.96   | 19.35  | 335.23  | 40.10  | -   | 448.46       | 48.45                           | 12.74                  | 33.73                         | 18.50  | 60.25%            |
| 14      | Al Nakhta Crushers LLC, Fujairah                               | 2013-14 | AED              | 3.40  | 25.30  | 95.18   | 6.90   | -   | 1,395.24     | 16.22                           | -                      | 16.22                         | -  | 60.25%            |
| 15      | Arabian Gulf Cement Company WLL, Bahrain                       | 2013-14 | AED              | 0.03  | 0.80   | 1.86  | 0.03   | -   | 7.96         | (2.45)                          | 0.02                   | (2.47)                        | -  | 60.25%            |
| 16      | Emirates Cement Bangladesh Ltd, Bangladesh                     | 2013-14 | Takka            | 158.93  | 126.23   | 142.29  | 10.79  | -   | 40.06        | (2.15)                          | -                      | (2.15)                        | -  | 60.25%            |
| 17      | Emirates Power Company Ltd, Bangladesh                         | 2013-14 | Takka            | 127.27  | 81.82  | 175.11  | 129.66   | -   | 686.66       | (5.81)                          | -                      | (5.81)                        | -  | 60.25%            |
| 18      | Awam Minerals LLC, Sultanate of Oman (w.e.f. 23rd April, 2014) | 2013-14 | Omani Rival      | 27.00   | 21.15  | 24.56   | 18.71  | -   | 44.81        | 15.45                           | -                      | 15.45                         | -  | 60.25%            |
| 19      | PT UltraTech Mining Indonesia                                  | 2013-14 | Indonesian Rupee | 1,158.90  | (18.07)  | 1,140.83  | 0.03   | -   | 20.33        | 17.32                           | -                      | 17.32                         | -  | 60.25%            |
| 20      | PT UltraTech Investment Indonesia                              | 2013-14 | Indonesian Rupee | 5.53  | (0.09)   | 5.47  | 0.03   | -   | 312.55       | (3.72)                          | -                      | (3.72)                        | -  | 60.25%            |
| 21      | PT UltraTech Cement Indonesia                                  | 2013-14 | Indonesian Rupee | 1,137.30  | (22.77)  | 1,120.92  | 6.39   | -   | 481.19       | 40.29                           | 11.42                  | 28.87                         | 32.66  | 48.23%            |
| 22      | PT UltraTech Cement Indonesia                                  | 2013-14 | Indonesian Rupee | 1,992.40  | 39.23  | 2,039.16  | 7.54   | -   | 1,031.48     | 88.69                           | 24.58                  | 62.10                         | 40.00  | 60.25%            |
| 23      | PT UltraTech Cement Indonesia                                  | 2013-14 | Indonesian Rupee | 1,992.40  | 45.22  | 2,056.19  | 18.57  | -   | 448.46       | 48.45                           | 12.74                  | 33.73                         | 18.50  | 60.25%            |
| 24      | PT UltraTech Cement Indonesia                                  | 2013-14 | Indonesian Rupee | 2,033.46  | (57.01)  | 1,999.34  | 22.89  | -   | 548.00       | 54.80                           | 0.26                   | 54.80                         | -  | 59.65%            |
| 25      | PT UltraTech Cement Indonesia                                  | 2013-14 | Indonesian Rupee | 2,033.46  | (111.81)   | 1,938.72  | 17.07  | -   | 1,118.11     | (11.81)                         | -                      | (11.81)                       | -  | 59.69%            |

Part B : Joint Ventures/Associates

| Sr. No. | Name of Associate/Joint Venture  | AV Cell Inc.    | AV Nackawic Inc. | Bria Jingwei Fibres Co. Limited | Bria Lao Pulp & Plantations Company Limited | Bhubaneswari Coal Mining Limited | Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi | Aditya Group AB | AV Terrace Bay Inc. | Braskara Coal Company Limited | Madanpur (North) Coal Company Private Limited | Aditya Birla Science & Technology Co. Private Ltd # | Idea Cellular Ltd. # |
|---------|--|-----------------|------------------|---------------------------------|---|----------------------------------|---|-----------------|---------------------|-------------------------------|---|---|----------------------|
| 1       | Latest audited Balance Sheet Date  | 31st March 2015 | 31st March 2015  | 31st March 2015                 | 31st December 2014                          | 31st March 2015                  | 31st March 2015                                     | 31st March 2015 | 31st March 2015     | 31st March 2015               | 31st March 2015                               | 31st March 2015                                     | 31st March 2015      |
| 2       | Share of Joint Venture held by the company on year end                   |                 |                  |                                 |   |                                  |   |                 |                     |                               |   |   |                      |
|         | i) Number of Shares  | 81,000          | 123,750          | N/A                             | 18,840                                      | 33,540,000                       | 1,999,998   | 50              | 28,000,000          | 4,904,910                     | 682,375                                       | 7,799,500   | 171,013,894          |
|         | ii) Amount of Investment in Joint Venture/Associates                     | -               | 6,750,000        | N/A                             | -   | -                                | -   | 160,000         | -                   | 4,90                          | 0.69  | 7.80  | -                    |
|         | iii) Extent of Holding (%)   | 50.66           | 129.03           | 117.40                          | 91.24*                                      | 33.54                            | 56.67   | 324.14          | 156.36              | 28.54%                        | 6.73%   | 39%   | 171.01               |
| 3       | Network attributable to shareholding as per latest audited Balance Sheet | 45%             | 45%              | 26.63%                          | 40%   | 26%                              | 33.33%  | 33.33%          | 40%                 | 28.54%                        | 6.73%   | 39%   | 4.75%                |
| 4       | Profit/(Loss) for the year   | 190.90          | 142.33           | 29.04                           | 102.65                                      | 41.61                            | 51.50   | 363.31          | (8.03)              | 5.46                          | 0.72  | 9.70  | 1104.69              |
|         | i) Considered in Consolidation \$  | (12.81)         | (67.91)          | (81.98)                         | (3.47)                                      | 52.25                            | 1.75  | (70.97)         | (66.22)             | (26.672)                      | -   | 1.39  | 3,192.91             |
|         | ii) Not considered in Consolidation                                      | (5.77)          | (20.60)          | (23.57)                         | (1.39)                                      | 13.60                            | 0.58  | (15.75)         | (26.49)             | (7.617)                       | -   | 0.02  | 154.21               |
|         |  | (7.04)          | (47.31)          | (58.41)                         | (2.08)                                      | 38.65                            | 1.17  | (55.22)         | (39.73)             | (19.054)                      | -   | 1.37  | 3,038.70             |

# Represents Associates

\* Excluding Provision for Diminution in Long-Term Investment of ₹ 26.24 Cr

\$ Joint Ventures of UltraTech. Numbers are proportionate to the extent of Company's interest through UltraTech

\$\$ After elimination of unrealised profit (Net) on intragroup transactions

Note : - For Holding Subsidiary Relationship refer Note 4.2 to Consolidated Financial Statements

- UltraTech Cement SA (PTY), PT UltraTech Mining Sumatera and UltraTech Cement Mozambique Limitada (Subsidiary's Subsidiaries) are yet to start operations and no equity infusion.

- For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent Indian Rupee (INR), following Exchange rates are used for 1 INR.

| Sr. No. | Currency                  | Balance Sheet (Closing Rate) |                  | Statement of Profit and Loss (Average Rate) |            |
|---------|---------------------------|------------------------------|------------------|---|------------|
|         |                           | 31st March, 2015             | 31st March, 2014 | FY 2014-15                                  | FY 2013-14 |
| 1       | SriLankan Rupee (SLR)     | 2.1372                       | 2.1823           | 2.1400                                      | 2.1500     |
| 2       | UAE Dirham (AED)          | 0.0589                       | 0.0613           | 0.0601                                      | 0.0607     |
| 3       | Bangladeshi Takka (Takka) | 1.2488                       | 1.2964           | 1.2478                                      | 1.2642     |
| 4       | Bahrain Dinar (BHD)       | 0.0060                       | 0.0063           | 0.0060                                      | 0.0062     |
| 5       | Indonesian Rupiah (IDR)   | 209.5118                     | 189.5735         | 209.5118                                    | 181.4280   |
| 6       | Omani Riyal               | 0.0062                       | -                | 0.0063                                      | -          |

4.15 Additional Information as required by paragraph 2 of the General instruction for preparation of Consolidated Financial Statement as per Schedule III to the

Companies Act, 2013

| Sr. No.  | Name of the Entity   | Net Assets (Total Assets minus Total Liabilities) | Share in Profit or Loss |                                     |                     |
|----------|--|---|-------------------------|-------------------------------------|---------------------|
|          |  | As % of Consolidated Net Assets                   | Amount (₹ in Crore)     | As % of Consolidated Profit or Loss | Amount (₹ in Crore) |
| <b>A</b> | <b>Parent (Holding Co.)</b>                                  | 32.84%  | 7,599.63                | 22.30%                              | 391.04              |
| <b>B</b> | <b>Subsidiary</b>  |   |                         |                                     |                     |
|          | <b>Indian</b>  |   |                         |                                     |                     |
| 1        | UltraTech Cement Limited (60.25%)                            | 91.70%  | 21,218.90               | 120.55%                             | 2,102.11            |
| 2        | Sun God Trading and Investment Limited (100%)                | -   | 0.45                    | -                                   | 0.03                |
| 3        | Samruddhi Swastik Trading and Investment Limited (100%)      | 0.16%   | 36.74                   | 0.10%                               | 1.79                |
| 4        | Grasim Bhiwani Textile Limited (100%)                        | 0.50%   | 115.70                  | 0.80%                               | 11.85               |
|          | <b>Minority Interest in all Subsidiaries</b>                 | -33.20%   | (7,681.79)              | -48.05%                             | (837.86)            |
|          | <b>Sub total (B)</b>   | 59.16%  | 13,690.00               | 73.40%                              | 1,279.98            |
| <b>C</b> | <b>Associates (Investment as per Equity Method)</b>          |   |                         |                                     |                     |
|          | <b>Indian</b>  |   |                         |                                     |                     |
| 1        | Aditya Birla Science & Technology Co. Ltd (39%)              | 0.01%   | 1.90                    | -                                   | 0.02                |
| 2        | Idea Cellular Limited (4.75%)                                | 4.03%   | 933.68                  | 8.84%                               | 154.21              |
|          | <b>Sub total (C)</b>   | 4.04%   | 935.58                  | 8.84%                               | 154.23              |
| <b>D</b> | <b>Joint Ventures (As per Proportionate Consolidation)</b>   |   |                         |                                     |                     |
|          | <b>Indian</b>  |   |                         |                                     |                     |
| 1        | Bhubaneswari Coal Mining Limited (26%)                       | 0.18%   | 41.61                   | 0.78%                               | 13.60               |
|          | <b>Foreign</b>   |   |                         |                                     |                     |
| 1        | AV Cell Inc. (45%)   | 0.78%   | 181.47                  | -0.33%                              | (5.77)              |
| 2        | AV Nackawic Inc. (45%)                                       | 0.75%   | 172.58                  | -1.18%                              | (20.60)             |
| 3        | Birla Jingwei Fibres Co. Limited (26.63%)                    | 0.14%   | 32.96                   | -1.35%                              | (23.57)             |
| 4        | Birla Lao Pulp & Plantations Company Limited (40%)           | 0.40%   | 93.19                   | -0.08%                              | (1.39)              |
| 5        | Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (33.33%) | 0.22%   | 51.50                   | 0.03%                               | 0.58                |
| 6        | Aditya Group AB (33.33%)                                     | 1.51%   | 349.26                  | -0.90%                              | (15.75)             |
| 7        | AV Terrace Bay Inc. (40%)                                    | -0.03%  | (8.03)                  | -1.52%                              | (26.49)             |
|          | <b>Sub total (D)</b>   | <b>3.95%</b>                                      | <b>914.54</b>           | <b>-4.55%</b>                       | <b>(79.39)</b>      |
|          | <b>TOTAL (A+B+C+D)</b>                                       | <b>100.00%</b>                                    | <b>23139.75</b>         | <b>100.00%</b>                      | <b>1,743.80</b>     |

Note: Figures provided above are net of intercompany eliminations

- 4.16** The Company has spent ₹ 61.28 Crore on Corporate Social Responsibility projects/initiatives during the year including ₹ 4.98 Crore towards capital expenditure.
- 4.17** The Board of Directors of the Company at its meeting held on 11th February, 2015 has approved a Scheme of Amalgamation ('the Scheme') for the merger of Aditya Birla Chemicals (India) Limited ('ABCIL') with the Company w.e.f. 1st April 2015 (the appointed date) in terms of the provisions of sections 391 to 394 of the Companies Act, 1956 read with other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.
- The Scheme will be effective upon obtaining requisite approvals inter alia, approval of shareholders and creditors, sanction of the Scheme of Arrangement by the High Courts, approval of the Competition Commission of India and other regulatory approvals.
- On merger of ABCIL with the Company, the shareholders of ABCIL will receive 1 (one) equity share of the Company of face value ₹ 10 each fully paid-up for every 16 (sixteen) equity shares of ABCIL of face value ₹ 10 each fully paid-up.
- 4.18** Previous year's figures have been regrouped and rearranged, wherever necessary, to conform to this year's classification.
- 4.19** 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.

Signatures to Notes '1' to '4'

For GRASIM INDUSTRIES LIMITED

K. K. Maheshwari  
Managing Director

B. V. Bhargava  
M. L. Apte  
Directors

Adesh Gupta  
Whole-time Director & CFO

Mumbai  
Dated: 2nd May, 2015

Hutokshi Wadia  
Company Secretary



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Birla White Wallcare Putty has Xtra HP Polymers that increase water resistance, thereby binding perfectly with the wall even when the surface is damp. This enhances durability, provides a great foundation for good quality painting and brings out the true tone of paint. What's more, Birla White Wallcare Putty is environment-friendly and unlike ordinary putty does not contain lead, oil, toxic materials or synthetic agents. So, keep your walls beautiful and choose an eco-friendly way of life too!



Birla White (Unit of UltraTech Cement Limited): Ground Floor, Ahura Centre, 82, Mahakali Caves Road, Near M.I.D.C. Office, Andheri (E), Mumbai - 400093. Visit us at: [www.birlawhite.com](http://www.birlawhite.com) | ☎ 1800 11 1717  
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Birla Modal*

Cherished by designers, **Birla Modal** is a second generation man made cellulose fibre which imparts brilliant lustre, soft feel, fluidity and fineness to fabrics, making it skin friendly.

Made with state of the art technology, **Birla Modal** endears in pure and blended form to spinners and fabricators to deliver innovative products across categories.



**Birla Cellulose**  
Fibres from nature



**Birla Modal**

Birla Cellulose  
Grasim Industries Limited, Hub Town Solaris, 5th Floor, 501A & 502,  
Prof N S Phadke Marg, Andheri East, Mumbai -400069,  
Tel: +91 22 61957700 Fax: +91 22 61957702  
Website: [www.birlacellulose.com](http://www.birlacellulose.com)



**Birla Cellulose**  
Fibres from nature

*Where fibres come alive  
with the richness of Nature*



Birla Viscose



Birla Excel



Birla Spunshades



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**Birla Cellulose**  
**spunshades**



**ADITYA BIRLA GROUP**

[www.birlacellulose.com](http://www.birlacellulose.com)

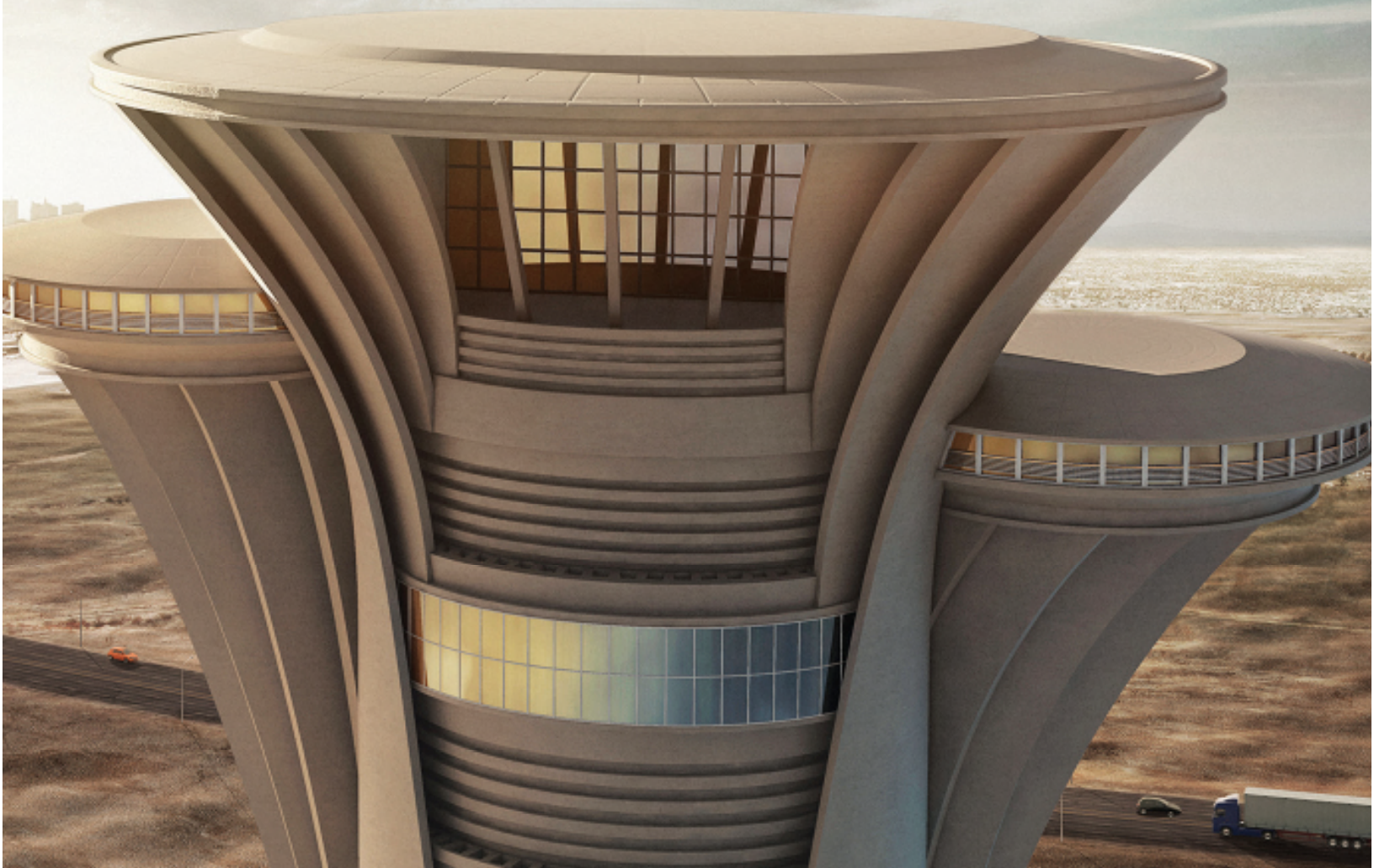




# What you build will last forever **B u i l d   b e a u t i f u l**

The dream home you build will always be a symbol of your success. Make it a tribute to your creativity, a hallmark of your imagination, a statement of your aesthetic style. When you build your dream home to last forever, why build ordinary. Build beautiful.

***UltraTech***  
**C E M E N T**  
*The Engineer's Choice*





*lva*  
natural fluid fashion



## FORM A

### Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges Pursuant to Clause 31(a) of the Listing Agreement

|    |  |   |
|----|--|---|
| 1. | Name of the Company                            | Grasim Industries Limited   |
| 2. | Annual Financial Statements for the year ended | 31 <sup>st</sup> March, 2015  |
| 3. | Type of Audit Observation                      | <p><b>Emphasis of Matter</b></p> <p>We draw attention to Note 4.7.5 of the Consolidated financial statements which describes the uncertainty related to the penalty of ₹ 1,175.49 crore imposed by the Competition Commission of India (CCI) on UltraTech Cement Limited (UTCL), a subsidiary of the Company, along with certain other cement manufacturing companies, for alleged cartelisation, for which no provision has been made based on a legal opinion obtained by UTCL.</p> <p>Our opinion is not qualified in respect of this matter.</p> <p><b>Note 4.7.5</b></p> <p>Based on the legal advise, UltraTech has challenged the order dated 20<sup>th</sup> June, 2012, of Competition Commission of India (CCI) imposing a penalty of ₹ 1,175.49 crore for alleged cartelisation with certain other companies.</p> <p>UltraTech filed appeal against the order before Competition Appellate Tribunal (COMPAT). COMPAT has granted stay against the CCI order on deposit of ₹ 117.55 Crore.</p> <p>UltraTech continues to believe that it has a good case based on legal opinion. Accordingly, no provision has been made.</p> |
| 4. | Frequency of Observation                       | Continuing, since year ended 31st March, 2013   |

Refer our Audit Report dated 2<sup>nd</sup> May, 2015 on the Consolidated Financial Statements of the Company

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)



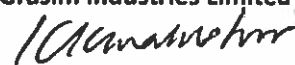
Saira Nainar  
Partner  
Membership No. 40081

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



Atul B. Desai  
Partner  
Membership No. 30850

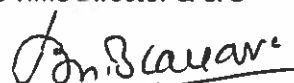
For Grasim Industries Limited



K. K. Maheshwari  
Managing Director



Adesh Gupta  
Whole Time Director & CFO



B. V. Bhargava  
Chairman – Audit Committee



Mumbai, 2<sup>nd</sup> May, 2015



## FORM A

### Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges Pursuant to Clause 31(a) of the Listing Agreement

|    |  |                              |
|----|--|------------------------------|
| 1. | Name of the Company                            | Grasim Industries Limited    |
| 2. | Annual Financial Statements for the year ended | 31 <sup>st</sup> March, 2015 |
| 3. | Type of Audit Observation                      | None                         |
| 4. | Frequency of Observation                       | Not Applicable               |

Refer our Audit Report dated 2<sup>nd</sup> May, 2015 on the  
Standalone Financial Statements of the Company

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm Registration No. 117366W/W-  
100018)



Saira Nainar  
Partner  
Membership No. 40081

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



Atul B. Desai  
Partner  
Membership No. 30850

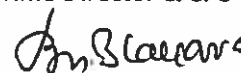
For Grasim Industries Limited



K. K. Maheshwari  
Managing Director



Adesh Gupta  
Whole Time Director & CFO



B. V. Bhargava  
Chairman – Audit Committee

Mumbai, 2<sup>nd</sup> May, 2015