



ANNUAL REPORT
2015-16

GRASIM INDUSTRIES LIMITED



BIG ON GROWTH
BASED ON STRONG FUNDAMENTALS



Mr. Aditya Vikram Birla

(14.11.1943 - 01.10.1995)

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.





THE CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

Global Economy

The global scenario continues to be trapped in a low growth trajectory, despite the steep drop in crude oil and commodity prices. Furthermore, a barrage of monetary stimulus has driven down interest rates close to zero in many of the advanced economies. With the monetary stimulus option by and large exhausted, governments are more likely to turn to fiscal and structural measures to revive growth.

The IMF projects global growth to inch up from 3.1% in 2015 to 3.2% in 2016, and increasing to 3.5% in 2017. Growth in the advanced economies is projected at 1.9% in 2016, with US growth pegged at 2.4%, Europe at 1.5% and Japan at 0.5%. Growth in the emerging markets in 2016, overall, is projected at 4.1%, much of it coming from China, India and

the ASEAN region. Growth in Latin America is expected to be only 0.5%, on account of a 3.8% decline in growth in Brazil. No sustained upside is seen in oil and commodity prices in 2016.

The path ahead for the global economy remains challenging, with greater uncertainties thrown in. Concerns persist about the slowdown in China and its ability to shift smoothly from export-led to domestic-led growth. Fiscal pressures will accentuate in the oil producing countries, including the rich Middle-East countries. Financial markets remain nervous and exchange rate volatility has been pronounced. This is reinforced by the impending reversal of the interest rate cycle in the US.

Indian Economy

Against the backdrop of a muted global economy, India's economy is an outperformer. For 2016-17, GDP growth is projected at 7.5%. This would make it the fastest growing among the large economies. This is particularly creditable in the context of two successive unfavourable monsoons and a decline in exports. Recent data indicate a 5.7% year-on-year growth in eight of the key core sector industries, against 2.3% growth registered last year.

Inflationary pressures have been contained. The rise in the consumer price index averaged 4.9% in 2015-16, down from 5.9% in the previous year. The wholesale price index declined 2.5% on an averaged basis, compared to a rise of 2.0% in the previous year. In 2015-16, merchandise exports and imports each fell over 15% over 2014-15. The trade deficit in 2015-16 was US\$ 118.5 billion, a decline of 14% over the previous year. The current account deficit

narrowed sharply from US\$ 26.1 billion to US\$ 22.0 billion, representing 1.4% of GDP. India's foreign exchange reserves, as at March-end 2016 were US\$ 360.2 billion. The government is also committed to meeting the current year's fiscal target of 3.5% of GDP. Overall, the economic fundamentals are sound.

There have also been positive moves on the policy front, in areas related to ease of doing business, promoting start-ups, rationalising the tax structure and administration, and opening up more areas for foreign investment through the automatic route. The government is substantially stepping up infrastructure spending.

Having said that, some issues come to the fore. For instance, capital investment will take time to revive, given stretched corporate balance sheets, low capacity utilization, (at only 72.5% in the organized industrial sector), and competition from imports. Slow global output and trade growth will continue to impact exports. There is also the overhang of non-performing assets in the banking sector. Much more also needs to be done to "monsoon-proof" the Indian economy.

The growth in the manufacturing sector has been subdued, including a decline in the output of capital goods. UltraTech too has faced headwinds. Construction activity including the housing sector has been running in slow gear. Regardless, VSF and the Chemicals sector have posted impressive results.

Your Company recorded consolidated revenues of US\$ 5.6 billion (₹ 36,637 crore) and EBITDA of US\$ 1.1 billion (₹ 7,025 crore), a rise of 24%.

Strategic initiatives

To ensure growth in both revenue and earnings, a slew of strategic initiatives were launched during the year.

Aditya Birla Chemicals (India) Limited (ABCIL)

To strengthen your Company's existing portfolio of viscose staple fibre, caustic soda and allied chemicals, Aditya Birla Chemicals (India) Limited (ABCIL), a leading Chlor Alkali Company, was merged into Grasim. Consequently, the Company's installed capacity of caustic soda has risen from 453K TPA to 804K TPA. Importantly, the merger has resulted in the geographical diversification of the Chlor Alkali business of the Company. It also enables the business to capitalize growth opportunities, backed by Grasim's inherent strengths. Grasim is the leading manufacturer of caustic soda in India – an input in the manufacturing of viscose staple fibre, which is a major business of your Company.

Composite Scheme of Arrangement

The Boards of Directors of your Company, Aditya Birla Nuvo Limited (ABNL) and Aditya Birla Financial Services Limited approved the merger of ABNL into your Company and the subsequent demerger & listing of its financial services business through a composite scheme of arrangement.

The proposed restructuring will create one of India's largest, well-diversified companies with a healthy mix of businesses with steady cash flows and long-term growth opportunities. With diverse businesses spanning manufacturing and services, the combined company provides a play on India's growth story. The demerger and listing of the financial services business will unlock value for shareholders.

The proposed restructuring will create one of India's largest, well-diversified companies with a healthy mix of businesses with steady cash flows and long-term growth opportunities. With diverse businesses spanning manufacturing and services, the combined company provides a play on India's growth story. The demerger and listing of the financial services business will unlock value for shareholders.

Cement Business continues to march on growth path

UltraTech Cement Ltd. (UltraTech), the subsidiary of your Company entered into a definitive agreement with Jaypee Group for the acquisition of Cement plants with an aggregate capacity of 21.2 Mn. TPA at an enterprise value of ₹ 16,189 crore.

The proposed transaction is essentially a geographic market expansion, which will lead to your Company's entry into growing markets of India. These include the Satna cluster in Uttar Pradesh (East) and Madhya Pradesh (East), Himachal Pradesh, Uttarakhand and coastal Andhra Pradesh. The operations will be strengthened by the consequent technological upgradation and enhancement in capacity utilization on a year-on-year basis. It will lead to creating synergies in manufacturing, distribution and logistics. As a result, advantages such as economies of scale and creation of

efficiencies by reducing lead-time to markets will be attained. Alongside, it will enhance competitiveness, benefiting consumers and in turn creating value for shareholders by acquiring ready-to-use assets.

The transaction is subject to the approval of shareholders and creditors, high courts and all other regulatory approvals as may be required. We expect it to be consummated within the next 12 months. Your Company's cement capacity then will stand augmented to 91.1 Mn. TPA including its overseas operations.

It is with great pride, I record that UltraTech is the largest cement player in India and the 5th largest on the world stage.

Pulp & Fibre Business

Let me now move on to the Pulp & Fibre business' record this year. The business achieved revenues of US\$ 1.2 billion (₹ 7,656 crore) up by 15% with an EBIDTA of US\$ 167 million (₹ 1,093 crore).

The 120K TPA greenfield plant at Vilayat has been fully ramped up. Consequently, sales volumes have risen by 16% from 403K TPA to 467K TPA. Yet another success story is that of the LIVA brand. The response to LIVA has been extremely encouraging.

Chemical Business

The merger of ABCIL into Grasim has been a value accretive move. Revenue doubled to US\$ 525 million (₹ 3,436 crore), while EBIDTA soared by 156% to US\$ 114 million (₹ 747 crore), buoyed by higher volumes and favourable markets.

The 120K TPA greenfield plant at Vilayat has been fully ramped up. Consequently, sales volumes have risen by 16% from 403K TPA to 467K TPA. Yet another success story is that of the LIVA brand. The response to LIVA has been extremely encouraging.

Going forward, our growth plans include a 30% capacity expansion to scale up to 1048K TPA through brownfield expansion at your Company's Vilayat plant and partly through the debottlenecking process. Additionally, the thrust will be on veering our product portfolio towards value-added products, which deliver greater returns.

Cement

Your Company's cement business continues to move forward. The year witnessed your Company's cement capacity rising up to 67.70 Mn. TPA, with the commissioning of new assets. In response to the growing demand for building material, your Company has commissioned cement grinding units at Jhajjar in Haryana and Dankuni in West Bengal. A cement bulk terminal went on stream at Pune in Maharashtra.

Furthermore, with the addition of 26 MW waste heat recovery systems during the year, the total waste heat recovery capacity is now 59 MW. Besides this, your Company has a 717 MW thermal power capacity, both of which cater to more than 88% of its total power requirement.

In Chemicals, the thrust will be on veering our product portfolio towards value-added products, which deliver greater returns.

Outlook

India is moving on to a higher growth trajectory and to that extent, all of your Company's businesses: VSF, chemicals and cement are all poised for a further pick-up in growth in FY 2016-17. Your Company has robust plans to proactively ride this next phase of growth in India.

A big thank-you to all of our employees

We have achieved good results. This has been largely due to deft cost management, a concerted move towards on-streaming of new capacities, focus on efficiency improvement, productivity and customer-centricity. Our employees have unflinchingly rallied around us. And for this, I would say a big "thank you" to all of them.

The Aditya Birla Group: In perspective

At the Group level, we have done well both in terms of revenue and earnings. As a matter of fact, the EBIDTA attained has been the highest ever.

Having worked extensively on the people front for over a decade, I am happy to state that our leadership processes are now mature. At the management level, we have built quality bench strength.

The Chairman's Series launched last year for senior leaders in the areas of business strategy, finance and personal leadership saw 150 of our senior most leaders recourse to these learning interventions.

To create a leadership pipeline to the Business Head roles within the next couple of years, we have created the Aditya Birla Fellows programme. The managers who have won this recognition are put in charge of critical Group-wide projects under my personal oversight. Up until now, we have named 14 managers who have tremendous potential to rise to the stature of Business Heads, going forward.

A slew of other initiatives have been set afoot to grow leaders from within. To do so, we have announced a hiring freeze at the middle and senior management levels for the next 3 years. It paves the way for accelerated talent growth.

In this context, I am happy to state that our accelerated leadership programme Cutting Edge, which prepares high potential leaders for P&L positions across our Group is gaining traction. It was launched last year. Up until now, 20 of the 35 graduates of this programme have already moved roles to take on higher responsibilities.

Furthermore, the 250+ youngsters who joined us over 6 years ago as Group Management Trainees, in our Leadership Associate Programmes (Lead) and Leadership Programme for Experienced youngsters (Leap), are shaping well. In the last 2 years, nearly a 100 from this slot have moved across functions and businesses. Additionally, we have 25 mid-career participants who have joined us in the Group Manufacturing Leadership Programme.

They too are making significant contributions in our manufacturing business units.

The first batch of 14 participants in "Spring Board", (a programme designed specially for high calibre women) graduated commendably to higher roles. The second batch of 39 women leaders is making good progress on their way to greater responsibilities. As of now, we have nearly 5,000 women – 14 per cent in the managerial cadre.

In the last 3 years, we have had more than 1100 inter-business and over 1000 intra-business transfers of employees across levels.

At Gyanodaya, the Aditya Birla Global Centre for Leadership Learning, over 2000 managers enrolled for learning programmes. With a mix of academics and live case studies, these programmes enable our people to keep abreast of the developments in their area and stay contemporary. Side by side the Gyanodaya Virtual Campus hosts more than 500 e-learning modules in multiple languages. During the year, over 25,000 employees chose to access these programmes.

The Aditya Birla Group Leadership Programme aimed at securing young talent from the top tier Business Schools of India has become aspirational. I am happy to record that our Group's brand attractiveness has taken a quantum leap across 35 top B-Schools in India. Our Group features among the formidable Top-5 in the AC Nielsen – CRI Campus Recruitment India Index 2015.

In sum

All these moves are a testament to our commitment to accord a World of Opportunity for our people and they are leveraging it. Our people are fully aware of what business needs to succeed. They are committed to contribute their best to our value-based, performance driven, meritocratic culture. We are future ready.

Yours sincerely,



Kumar Mangalam Birla

Powered by visionary leadership and anchored by an extraordinary force of over 120,000 employees belonging to 42 nationalities across 36 countries, the US\$ 41 billion Aditya Birla Group is a Premium Global Corporation. Featuring in the League of Fortune 500, the Group is among the leading players across businesses, ranging from metals to mobile telephony, fashion to fertilisers and cement to supermarkets.

As India powers ahead as the world's fastest growing economy, opening up BIG opportunities, the Aditya Birla Group is poised for the next phase of GROWTH based on strong fundamentals.



BIG ON GROWTH

BASED ON STRONG FUNDAMENTALS

Grasim Industries Limited, the flagship company of the Aditya Birla Group, is a leading global player in Viscose Staple Fibre, the largest player in the Cement and Chlor Alkali Chemicals in India. With all-round growth in Volumes, Revenue and Margins, the Company has delivered a stellar performance across all its businesses.

Grasim is poised to further build on this momentum as it continues its assiduous focus on:

BUILDING

competencies and capabilities

CONSOLIDATING

leadership position

GROWING

businesses



BUILDING PEOPLE

Grasim has been consistently BUILDING every aspect of its businesses – VSF, Chemicals and Cement as it traverses the fast-paced growth path by BUILDING long-term value for all its stakeholders.

Grasim is BUILDING consistently its capabilities, and competencies along with BUILDING Capacities.



Expands its footprint with wider reach and presence



Deepens its customer connect



Forges cost-leadership with process and operational efficiencies



Leverages IT capabilities



Strengthens R&D and innovation base

At Grasim, it is the people who provide the key competitive advantage in an otherwise largely undifferentiated market. The Company prides itself in its talent development process comprising of cutting edge People practices, Technical Talent Development initiatives and Leadership Recruitment Programmes, all aimed at nurturing and BUILDING the PEOPLE advantage.

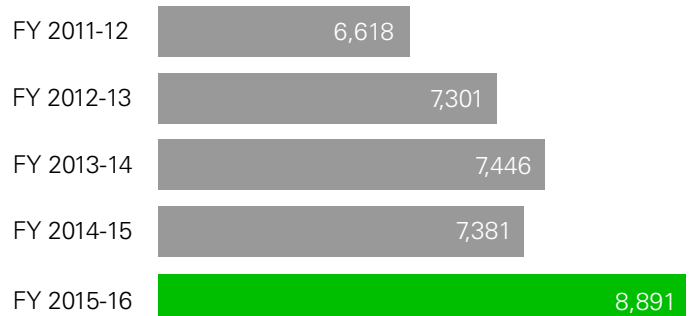
BUILDING THE PEOPLE ADVANTAGE

- Catch them young and develop them with structured process
- Build leadership talent with a dynamic talent pool for the future by identifying high potential future leaders
- Groom talent pool members with appropriate career development and top-of-the-line learning opportunities
- Develop business specific technical talent with specific expertise to deliver high quality product to customers

Grasim's specific initiatives like Focus-50 Programme and the Tech-X Programme are tailored to create deep technical knowledge and expertise. The Company's Leadership Hiring Programmes include Graduate Engineering Programme (GET) as well as the proposed Chemical Technology Leadership Programme.



EXPANDING TEAM SIMULTANEOUSLY WITH GROWING BUSINESSES



LIVA

LIVA is the flagship example of Grasim's consistent focus on BUILDING capabilities. Launched in 2015, LIVA is the culmination of consumer research, product innovation and brand positioning for VSF that has caught the imagination of designers and consumers alike.

natural fluid fashion with excellent drape

22 Co-branded partners

140 Cities – footprint of LIVA

2,000 fashion stores have LIVA

4,000 fashion stores where LIVA will be available in the next two years

350 members of LIVA Accreditation Partner Program (LAPF) - a unique community integrating the entire value chain to make India a leading VSF hub in line with MAKE IN INDIA. LIVA brand extension with value-added products in Men's wear and Home-Textiles is also being planned.

ULTRATECH CEMENT

BUILDING THE COUNTRY FROM THE GRASSROOTS UPWARDS

UltraTech works closely with government schemes like Pradhan Mantri Gram Sadak Yojna, Swachh Bharat and Indira Awas Yojna, which are directed at enhancing rural infrastructure – affordable homes, roads and schools.

Each time, a bridge, road, dam or home is constructed, there is a high likelihood that the cement or concrete going into it is from UltraTech.

Some Indian landmarks built with UltraTech's products

- Bandra-Worli Sea Link, Mumbai
- Mumbai International Airport Terminal – 2
- Metro Rail Projects – across the country
- Rajasthan Atomic Power Project
- Gosikhurd Dam, Maharashtra
- Mumbai Freeway
- 4000 MW Coastal Gujarat Power Project
- 19 kms Yeshwantpur-Nelamangala Six-lane Express, Karnataka
- Pimpalgaon-Nasik-Gonde Road Project, Maharashtra

Market Cap **₹35,884 Crore** as on 31st March, 2016 from ₹ 24,093 Crore as on 31st March, 2012

While Grasim continues BUILDING business capabilities, the Company is equally focussed on CREATING value for all our stakeholders. Ensuring highest levels of governance and transparency, it is building a deeper trust and stronger confidence with investors and shareholders even as the Company is delivering consistent financial returns.

As a responsible corporate citizen, Grasim is building societies and communities, helping them get into the mainstream of the country's economic progress.

CONSOLIDATING

Grasim has been steadily CONSOLIDATING its LEADERSHIP POSITION in all its businesses, taking both organic and inorganic growth routes, forward and backward integration.

VSF	CHEMICALS	CEMENT
LEADING Global Player with a 9% global share	LARGEST Chlor Alkali manufacturer in India	LEADING India's leading manufacturer and the largest selling cement brand
ENTIRE RANGE of VSF products	LARGEST producer of Epoxy Resins in India	NO.1 The No. 1 player in RMC, White Cement and Cement-based Putty in India
₹77 <small>BILLION</small> (US\$ 1.2 BILLION) Total Revenue in FY 2016	A WIDE PORTFOLIO of value-added derivative products	₹256 <small>BILLION</small> (US\$ 3.9 BILLION) Total Revenue in FY 2016
	₹34 <small>BILLION</small> (US\$ 525 MILLION) Total Revenue in FY 2016	

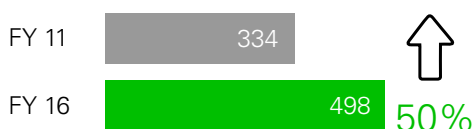
INVESTING FOR GROWTH

US\$ 4 billion

Grasim has made substantial investment of US\$ 4 billion over the last five years in all its key businesses to CONSOLIDATE its leadership position in the respective industries.

VSF

(Capacity in KTPA)



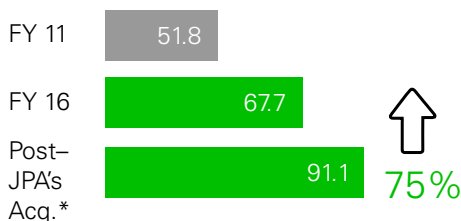
CAUSTIC

(Capacity in KTPA)



CEMENT

(Capacity in Mn. TPA)



(* on completion of acquisition of JPA's asset 21.2 Mn. TPA)



GROSS FIXED ASSETS (₹ Bn)



CAPEX PLAN

Grasim has a capex plan of ₹ 45 billion for the next two years. Of this, ₹ 15 billion will be towards VSF and Chemicals businesses, while ₹ 30 billion will be for the Cement business.

In the VSF business, LIVA brand is fast consolidating itself after an impressive launch in March 2015. Driven by strong innovation, Grasim is already in the second generation fibre – Modal. The next step is to move to third generation, which the Company is already working on.

Caustic Soda capacity increasing from 804K TPA to

1,048K TPA

In the Chemicals business, ABCIL merger with the Company gave additional volumes. The merger has enlarged the Company's footprint with a pan-India presence. Going ahead, the 144K TPA Brownfield expansion at Vilayat and 100K TPA de-bottlenecking at other plants will further consolidate the Company's Chemicals business with its Caustic Soda capacity increasing from 804K TPA to 1048K TPA.

Cement business has grown over

10x

since FY 1998

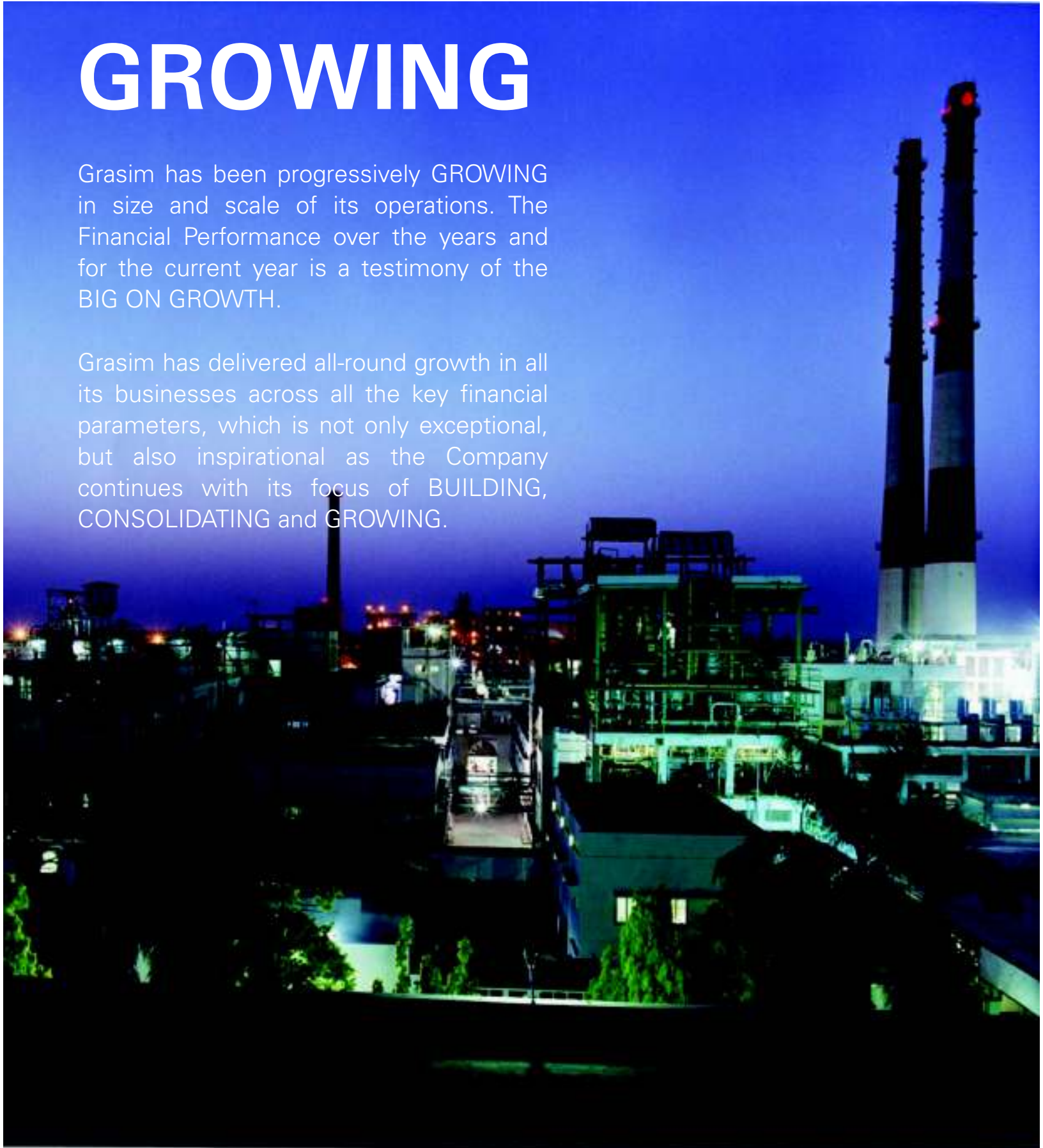
Cement business has grown over 10x since FY 1998. UltraTech's position as the largest cement player is poised to be consolidated with further acquisition of 21.2 Mn. TPA capacity.

By BUILDING competencies and capabilities and by CONSOLIDATING leadership position in the industry, Grasim has been GROWING on a continuous and consistent basis over the years.

GROWING

Grasim has been progressively GROWING in size and scale of its operations. The Financial Performance over the years and for the current year is a testimony of the BIG ON GROWTH.

Grasim has delivered all-round growth in all its businesses across all the key financial parameters, which is not only exceptional, but also inspirational as the Company continues with its focus of BUILDING, CONSOLIDATING and GROWING.

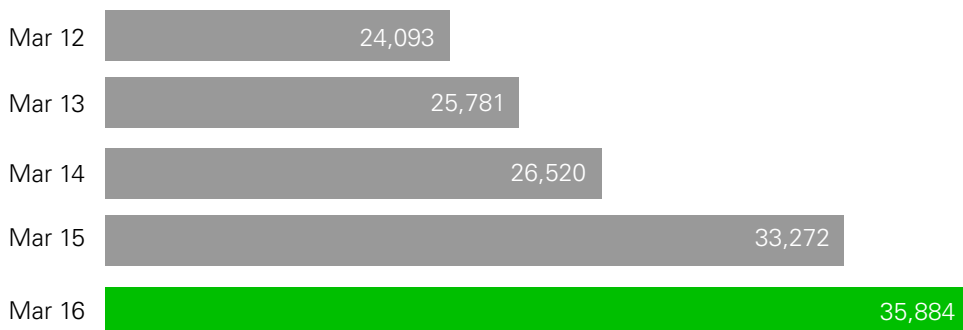


BIG ON GROWTH

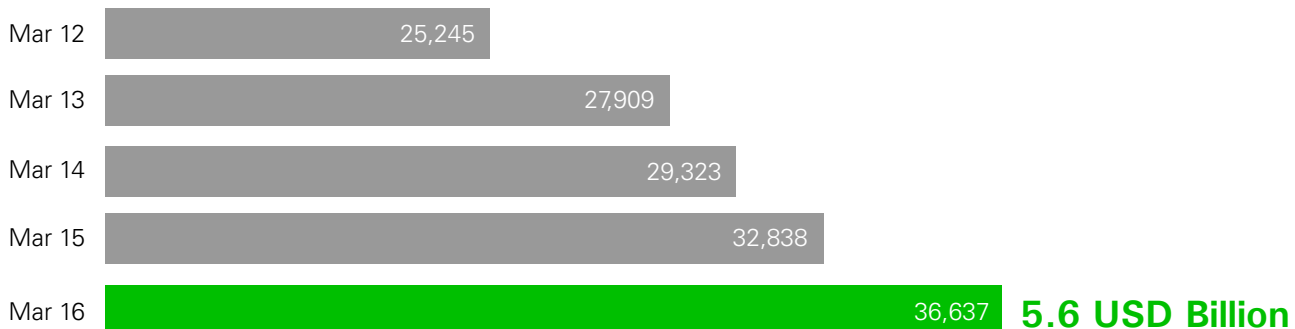
FY 2015-16 over previous year

	VSF	PULP JVs	CHEMICALS	CEMENT
VOLUME	467K TONS ↑ 16%	847K TONS ↑ 3%	763K TONS ↑ 86%	51.3 Mn. TONS ↑ 7%
REVENUE	₹ 60 Bn. ↑ 21%	₹ 20.9 Bn. ↑ 1%	₹ 34.4 Bn. ↑ 102%	₹ 255.5 Bn. ↑ 5%
EBITDA	₹ 9.2 Bn. ↑ 99%	₹ 1.9 Bn. ↑ - 0.2 Bn. LY	₹ 7.5 Bn. ↑ 156%	₹ 51.1 Bn. ↑ 7%
MARGIN	15% ↑ 9% Last year	9% ↑ -1% Last year	22% ↑ 17% Last year	20% ↑ 19% Last year

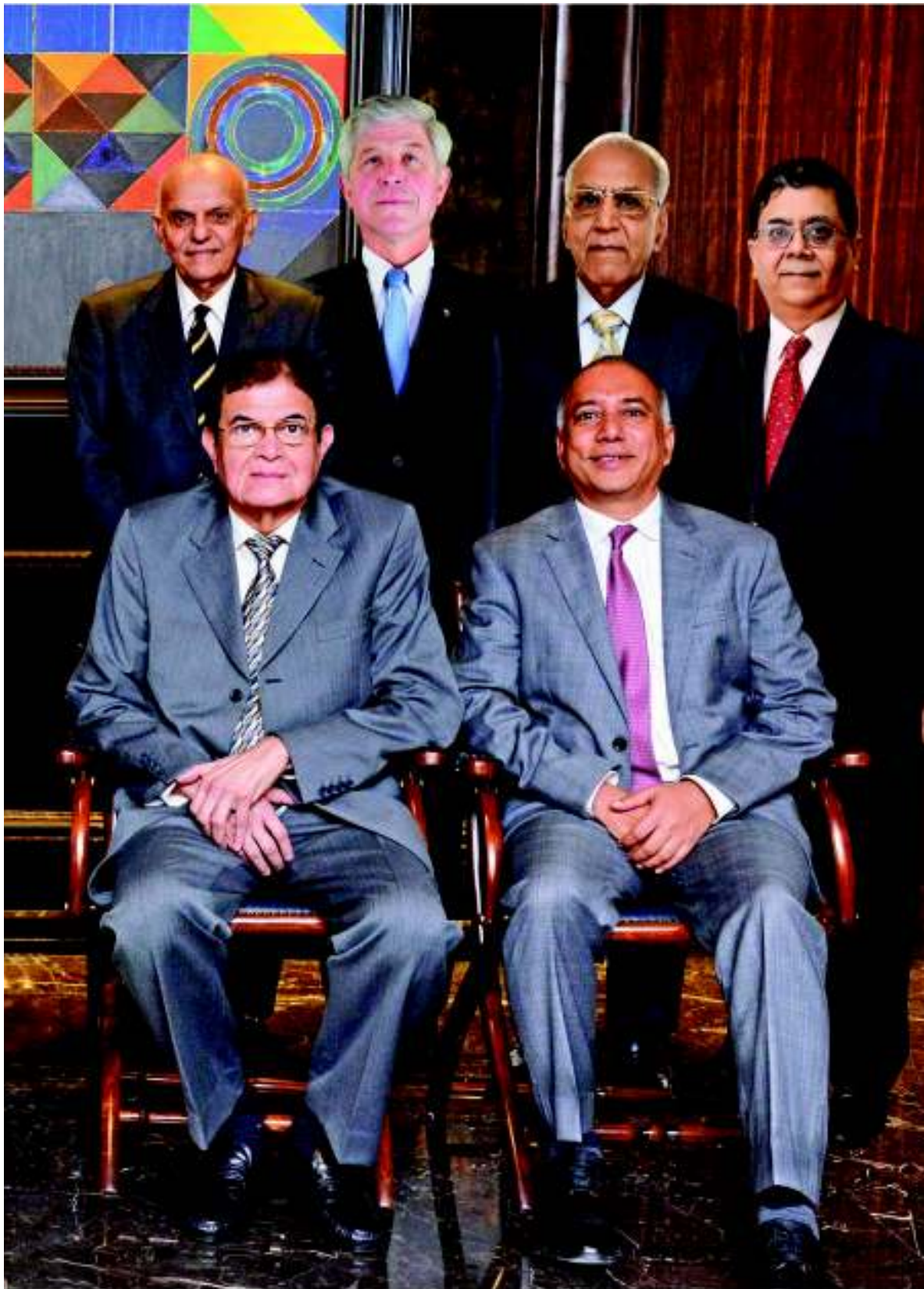
MARKET CAP (₹ in Crores)



REVENUE (₹ in Crores)







Seating - Left to Right

Mr. Dilip Gaur
Managing Director

Mrs. Rajashree Birla
Non-Executive Director

Mr. Kumar Mangalam Birla
Chairman

Mr. Shailendra K. Jain
Non-Executive Director

Mr. Sushil Agarwal
Whole-time Director

Standing - Left to Right

Mr. Arun Kannan Thiagarajan
Independent Director

Mr. N. Mohan Raj
Nominee Director (LIC)

Mr. K. K. Maheshwari
Non-Executive Director

Mr. R. C. Bhargava
Independent Director

Mr. O. P. Rungta
Independent Director

Mr. M. L. Apte
Independent Director

Dr. Thomas M. Connelly Jr.
Independent Director

Mr. B. V. Bhargava
Independent Director

Mr. Cyril Shroff
Independent Director

KEY MANAGERIAL PERSONNEL/SENIOR MANAGEMENT TEAM

MANAGING DIRECTOR

Mr. Dilip Gaur

GROUP CHIEF FINANCIAL OFFICER

Mr. Sushil Agarwal

PRESIDENT & COMPANY SECRETARY

Mrs. Hutokshi Wadia

FIBRE & PULP BUSINESS

Mr. Dilip Gaur
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. Parag Paranjpe
Chief Human Resource Officer

Mr. Anil Rustogi
Sr. President &
Dy. Chief Financial Officer

Mr. S. K. Saboo
Advisor

Mr. Vijay Kaul
Advisor

CEMENT BUSINESS (UltraTech Cement Limited)

Mr. K. K. Maheshwari
Managing Director

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

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

Mr. Vivek Agrawal
Group Executive President and
Chief Marketing Officer

CHEMICAL BUSINESS

Mr. Lalit Naik
Business Head

Mr. E. R. Raj Narayanan
Group Executive President

Mr. G. K. Tulsian
Executive President

Mr. Ramesh Mitragotri
Chief Human Resource Officer

Mr. Sanjay Khattry
Chief Financial Officer

TEXTILE BUSINESS

Mr. Thomas Varghese
Business Head

Mr. S. Krishnamoorthy
Chief Executive Officer,
Domestic Textiles

Mr. Manoj Kedia
Chief Financial Officer

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

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

18

Financial
Highlights

22

Board's
Report

68

Management
Discussion and
Analysis

79

Report on
Corporate
Governance

93

Shareholder
Information

103

Sustainability and
Business
Responsibility Report

114

Social Report

117

Standalone
Financial
Statements

170

Consolidated
Financial
Statements

REGISTERED OFFICE:

Birlagram, Nagda 456 331 (M.P.)

Tel: (07366) 246760-246766, 255151 Fax: (07366) 244114/246024

CIN: L17124MP1947PLC000410

www.grasim.com / www.adityabirla.com

CONSOLIDATED FINANCIAL HIGHLIGHTS

Year ----->	Unit	2015-16	2014-15	2013-14	2012-13	2011-12
Production						
Grey Cement	Mn. Tons	50.57	46.71	43.60	42.59	42.11
White Cement & Putty	Lakh Tons	13.21	12.04	11.67	10.20	9.18
Viscose Staple Fibre	Lakh Tons	4.64	4.08	3.61	3.37	3.21
Caustic Soda	Lakh Tons	7.56	4.12	3.13	2.70	2.60
Turnover*						
Grey Cement (Incl. Clinker)	Mn. Tons	51.33	48.17	44.66	43.64	43.96
White Cement & Putty	Lakh Tons	13.12	12.24	11.41	10.18	9.23
Viscose Staple Fibre	Lakh Tons	4.67	4.03	3.67	3.36	3.07
Caustic Soda	Lakh Tons	7.63	4.09	3.14	2.69	2.66

*Including Captive Consumption

₹ in Crores

Profit and Loss Account	(USD Millions ¹)					
Revenue from Operations (Net)						
Cement	3905	25552	24340	21652	21324	19232
Viscose Staple Fibre	1170	7656	6643	6331	5428	5007
Chemicals	525	3436	1701	1075	951	781
Others	94	615	636	615	544	484
Inter-segment Elimination	−95	−622	−482	−350	−338	−259
Total Net Revenue	5599	36637	32838	29323	27909	25245
EBITDA						
Cement [§]	758	4963	4476	4086	4872	4283
Viscose Staple Fibre	167	1093	459	716	901	1274
Chemicals	114	747	292	225	245	161
Others/Unallocated/ Inter-segment Elimination	35	222	456	464	525	603
Total EBITDA	1074	7025	5683	5491	6543	6321
Interest	115	751	667	447	324	314
Gross Profit (PBDT)	959	6274	5016	5044	6219	6007
Depreciation	292	1911	1563	1457	1252	1155
Profit Before Tax and Exceptional Items	667	4363	3453	3586	4967	4852
Exceptional Items (EI)	−4	−28	−9	-	204	-
Profit Before Tax	663	4335	3443	3586	5171	4852
Total Tax Expenses	185	1211	1016	735	1467	1321
Net Profit Before Minority Interest	477	3124	2427	2851	3704	3531
Less: Minority Interest	139	911	838	883	1074	947
Add: Share in Profit/(Loss) of Associates	22	145	154	103	74	63
Net Profit	361	2359	1744	2072	2704	2647

[§] Income of UltraTech Cement related to unallocated corporate capital employed included in Unallocated EBITDA.

Note¹ - 1 USD = INR 65.43.

₹ in Crores

Balance Sheet	2015-16 (USD Millions²)		2014-15	2013-14	2012-13	2011-12
Net Fixed Assets (incl. CWIP and Capital Advances)	5210	34512	32057	26943	24771	19312
Long-Term Loans and Advances	319	2114	1648	880	457	334
Investments (Non-Current and Current)	1155	7655	7255	7611	8011	7876
Goodwill	509	3374	3283	3277	3010	2496
Current Assets	1807	11967	9790	9025	7874	6513
	9000	59622	54033	47736	44123	36531
Equity Share Capital	14	93	92	92	92	92
Share Capital (Other than Equity)	9	58	59	45	43	42
Reserves and Surplus	3876	25679	22989	21478	19522	16935
Net Worth	3899	25830	23140	21615	19657	17069
Minority Interest	1281	8484	7682	6936	6221	5233
Deferred Tax Liabilities (Net)	638	4226	3410	2803	2301	1979
Long-Term Liabilities and Provisions	49	326	297	220	205	189
Total Loan Funds ³	1938	12841	11930	9681	9550	7038
Current Liabilities ³	1195	7915	7574	6481	6189	5023
	9000	59622	54033	47736	44123	36531

 Note² - 1 USD = INR 66.25

 Note³ - Short-Term Borrowings and Current Maturities of Long-Term Borrowings have been included in Total Loan Funds excluding the same from Current Liabilities.

Ratios and Statistics						
EBITDA Margin	(%)	19.0	17.0	18.4	22.9	24.3
Net Margin	(%)	8.9	7.8	9.9	12.5	13.8
Interest Cover (EBITDA – Current Tax/ Total Interest)	(x)	8.0	6.8	8.3	10.9	13.4
ROACE (EBIT/Avg., CE, Excl. CWIP)	(%)	11.3	10.5	12.1	18.4	19.4
RONW (PAT before EI/EO/Avg. NW)	(%)	9.7	7.8	10.0	13.6	16.7
Total Debt Equity Ratio	(x)	0.37	0.39	0.34	0.37	0.32
Net Debt to Equity Ratio	(x)	0.14	0.20	0.12	0.11	0.03
Net Debt to EBITDA Ratio	(x)	0.70	1.08	0.63	0.43	0.11
Basic Earnings Per Share (before EI/EO)	₹ / Share	255.7	190.8	225.6	272.3	288.6
Book Value Per Share	₹ / Share	2767	2519	2353	2141	1861
Market Cap	₹ / Share	35884	33272	26520	25781	24093

STANDALONE FINANCIAL HIGHLIGHTS

₹ in Crores

Profit and Loss Account	2015-16 (USD Millions ¹)		2014-15	2013-14	2012-13	2011-12
Revenue from Operations (Net)	1372	8980	6333	5604	5255	4974
EBITDA	284	1860	1013	1246	1523	1722
Interest	23	147	39	41	39	36
Gross Profit (PBDT)	262	1713	974	1205	1484	1686
Depreciation	68	447	263	220	159	144
Profit Before Tax and Exceptional Items	193	1266	711	985	1324	1542
Exceptional Items (EI)	-4	-29	-26	-	204	-
Profit Before Tax	189	1237	685	985	1529	1542
Total Tax Expenses	43	283	155	89	303	365
Net Profit	146	953	530	896	1226	1177
Equity Dividend (including CTD)	34	221	169	200	216	218

₹ in Crores

Balance Sheet	(USD Millions ²)					
Net Fixed Assets (incl. CWIP and Capital Advances)	1119	7412	5710	5495	4765	2514
Long-Term Loans and Advances	112	744	454	339	171	126
Investments (Non-Current and Current)	859	5687	5350	5604	6224	6830
Current Assets	474	3140	2851	2440	1906	1566
	2564	16983	14365	13878	13066	11035
Share Capital	14	93	92	92	92	92
Reserves and Surplus	1853	12277	11091	10736	10030	9008
Net Worth	1867	12370	11183	10828	10122	9099
Deferred Tax Liabilities (Net)	145	959	615	462	344	239
Long-Term Liabilities and Provisions	15	97	89	57	56	51
Total Loan Funds ³	278	1840	1115	1302	1284	720
Current Liabilities ³	259	1717	1363	1229	1260	927
	2564	16983	14364	13878	13066	11036

Ratios and Statistics						
EBITDA Margin	(%)	20.1	15.2	20.8	26.8	31.7
Net Margin	(%)	10.6	8.3	15.0	18.0	21.6
Interest Cover (EBITDA-Current Tax/Total Interest)	(x)	11.0	13.8	13.2	21.3	36.8
Total Debt to Equity Ratio	(x)	0.15	0.10	0.12	0.13	0.08
Net Debt to Equity Ratio ⁴	(x)	0.03	-	-	-	-
Dividend Per Share	₹ / Share	22.5	18.0	21.0	22.5	22.5
Basic Earnings Per Share (before EI/EO)	₹ / Share	105.2	60.5	97.6	111.3	128.3
Book Value Per Share	₹ / Share	1325	1217	1179	1103	992
No. of Equity Shareholders	No.	139659	134350	137732	145595	155904
No. of Employees	No.	8891	7381	7446	7301	6618

Note ¹ - 1 USD = INR 65.43

Note ² - 1 USD = INR 66.25

Note ³ - Short-Term Borrowings and Current Maturities of Long-Term Borrowings have been included in Total Loan Funds excluding the same from Current Liabilities.

Note ⁴ - From FY 2011-12 to FY 2014-15, Liquid Investments are higher than total debts.

STATUTORY REPORTS AND FINANCIAL STATEMENTS

BOARD'S REPORT

TO THE MEMBERS OF GRASIM INDUSTRIES LIMITED

Your Directors are pleased to present the 69th Annual Report of your Company along with the Audited Financial Statements for the financial year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

₹ in Crores

	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations (Net)	36,636.88	32,838.36	8,979.60	6,332.58
Earnings Before Interest, Depreciation/Amortisation and Tax (EBITDA)	7,025.49	5,683.42	1,860.47	1,013.04
Less: Finance Costs	751.34	667.39	147.40	39.33
Less: Depreciation and Amortisation	1,910.96	1,563.22	447.14	262.55
Profit Before Exceptional Items and Tax	4,363.19	3,452.81	1,265.93	711.16
Exceptional Items	(27.85)	(9.46)	(29.19)	(26.24)
Profit Before Tax (PBT)	4,335.34	3,443.35	1,236.74	684.92
Tax Expenses	1,211.13	1,015.92	283.47	155.02
Profit After Tax (PAT)	3,124.21	2,427.43	953.27	529.90
Add: Share in Profit/(Loss) of Associates	145.46	154.23	-	-
Less: Minority Interest	910.52	837.86	-	-
Profit for the Year	2,359.15	1,743.80	953.27	529.90
Balance brought forward from Previous Year	552.75	166.46	1,696.95	1,545.04
Amount transferred from Aditya Birla Chemicals (India) Limited (ABCIL) as on 1st April, 2015, pursuant to the Scheme of Amalgamation	362.33	-	362.33	-
Dilution of Stake in Joint Ventures/Associates	-	(6.26)	-	-
Depreciation Charged to Surplus*	-	(58.71)	-	(9.25)
Surplus Available for Appropriation	3,274.23	1,845.29	3,012.55	2,065.69



Your Company's Standalone Revenue stood at ₹ 8,980 Crore vis-à-vis ₹ 6,333 Crore in the previous year. Net profit was at ₹ 953 Crore as against ₹ 530 Crore.

₹ in Crores

	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Appropriations:				
Special Reserve Fund	0.34	0.37	-	-
General Reserve	1,405.10	954.52	500.00	200.00
Debenture Redemption Reserve	26.26	130.29	-	-
Proposed Dividend	210.06	165.50	210.06	165.37
Dividend Distribution Tax	40.42	33.61	10.78	3.37
Legal Reserve	-	0.15	-	-
Share of Appropriation related to Associates	6.26	8.10	-	-
Balance carried to Balance Sheet	1,585.79	552.75	2,291.71	1,696.95
	3,274.23	1,845.29	3,012.55	2,065.69

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

DIVIDEND

Your Directors have recommended a dividend of ₹ 22.50 per Equity Share of ₹ 10 each for the financial year ended on 31st March, 2016. The dividend, if approved by the members, would involve a cash outflow of ₹ 220.81 Crore (inclusive of Dividend Distribution Tax).

TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 500 Crore to General Reserves for the financial year ended on 31st March, 2016.

PERFORMANCE REVIEW

Your Company's Standalone Revenue stood at ₹ 8,980 Crore vis-à-vis ₹ 6,333 Crore in the previous year. Net profit was at ₹ 953 Crore as against ₹ 530 Crore.

Your Company's Consolidated Revenue rose by 12% from ₹ 32,838 Crore to ₹ 36,637 Crore. All the businesses have

recorded good growth in volumes led by capacity expansions and acquisitions. EBITDA grew by 24% at ₹ 7,025 Crore with improved performance from all three businesses. Net profit for the year was at ₹ 2,359 Crore as against ₹ 1,744 Crore in the last year.

In Viscose Staple Fibre (VSF) Business the demand for VSF has been growing at faster rate in the last couple of years compared to overall fibre consumption globally. Growing prosperity in Asian countries and stagnant demand for cotton has contributed to the growth.

Vilayat plant, which was commissioned in the FY 2014-15, attained full utilisation from the second quarter onwards. As a result, sales volume rose by 16% as compared to the previous year.

Your Company launched brand 'LIVA' for VSF-based products during the previous year, which met with good response from consumers. Your Company has been working closely with partners across the textile value chain through LIVA Accredited Partner Forum (LAPF). These initiatives have led to higher usage of VSF in domestic market. Growth in export markets was equally strong.

Revenue of VSF business increased by 21% from ₹ 4,974 Crore to ₹ 6,022 Crore; EBITDA doubled from ₹ 465 Crore to ₹ 924 Crore with higher volume, stringent cost control and improvement in market conditions.

Pulp Joint Ventures (JVs) reported considerable improvement in financial performance. As against loss of ₹ 25 Crore (your Company's share) in the FY 2014-15 at EBITDA level, your Company's share of profits (EBITDA) from these JVs was ₹ 158 Crore in the current year. Increase in realisation driven by depreciation of Canadian Dollar, decline in wood cost and other input cost benefited the JVs.

In Chemical Business, the demand for Caustic Soda, in domestic markets, grew by 8% during the year, mainly on account of increase in demand from Alumina, Paper and Textiles (Fibre) industries. There were no major capacity additions during the year leading to higher capacity utilisation for the Chemical industry. Sales volume increased by 86%, with additional volumes on account of merger of erstwhile Aditya Birla Chemicals (India) Limited (ABCIL) with the Company. EBITDA grew by 156% from ₹ 292 Crore to ₹ 747 Crore driven by volumes and improved market condition. On a Like-for-Like basis, EBITDA was up by 47% from ₹ 292 Crore to ₹ 428 Crore, with increase in volume and realisation.

In Cement Business, UltraTech Cement Limited (UltraTech), a Subsidiary of your Company, has produced 50.57 Mn. Tons of cement against 46.71 Mn. Tons in the previous year. Cement and clinker combined sales volume increased by 7% from 48.17 Mn. Tons to 51.33 Mn. Tons. White cement and putty volumes were 13.12 LMT (12.24 LMT). UltraTech's net revenue was ₹ 25,552 Crore vis-à-vis ₹ 24,340 Crore in the previous year. EBITDA for the year at ₹ 5,109 Crore is higher by 7% over the previous year. The operating margin remained range bound.

STRATEGIC INITIATIVES

Your Company's strategic intent continues to be strengthening of its leadership position in the Viscose Staple Fibre (VSF), Chemical 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.

COMPOSITE SCHEME OF ARRANGEMENT

In line with the Group's philosophy of consolidating similar businesses, your directors, at the Board meeting held on 11th August, 2016, have approved a Composite Scheme of Arrangement between your Company, Aditya Birla Nuvo Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors. The Scheme is subject to necessary statutory and regulatory approvals including those of the respective High Courts, the Stock Exchanges, SEBI and approval of the shareholders and lenders/creditors of each of the companies involved in the Composite Scheme of Arrangement.

The proposed restructuring will create one of the India's largest well diversified company with a healthy mix of businesses with steady cash flows and long term growth opportunities. The demerger and listing of the financial services business shall provide the shareholders of our company exposure to the fast growing financial services sector. The shareholders shall also benefit from the larger free float and enhanced liquidity of the combined company.

GROWTH PLANS IMPLEMENTED/INITIATED DURING THE YEAR ENDED 31ST MARCH, 2016

AMALGAMATION OF ADITYA BIRLA CHEMICALS (INDIA) LIMITED WITH THE COMPANY

The Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited ("ABCIL") with your Company was approved by the Shareholders, the Hon'ble High Court of Madhya Pradesh, the Hon'ble High Court of Jharkhand and other regulatory authorities and with effect from 1st April, 2015 (the Appointed Date), ABCIL stands merged with your Company. The Scheme has been made effective on 4th January, 2016. With the merger of ABCIL with your Company, the Company's caustic soda capacity stands enhanced from 453 KTPA to 804 KTPA. During the year, ABCIL had also completed acquisition of Chlor Alkali Plant (capacity of 59 KTPA) of Jayshree Chemicals at Ganjam, Odisha.

SALE OF CONSUMER PRODUCTS DIVISION

Your Company 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 ₹ 9.53 Crore.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 (Act), read with the Companies (Accounts) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)] 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 Statements are provided in this Report. The Consolidated Financial Statements have been prepared on the basis of the Audited Financial Statements of your Company, its subsidiary and associate companies, as approved by their respective Board of Directors.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Board of Directors of UltraTech Cement Limited, a Subsidiary of your Company ("UltraTech"), had approved acquisition of cement units of Jaiprakash Associates Limited ("JAL") in Bela and Sidhi in Madhya Pradesh, having an aggregate capacity of 4.9 MTPA. The effectiveness of the Scheme was *inter alia* subject to the sanction of the Hon'ble High Court Bombay ("the High Court"). Accordingly, a petition seeking sanction of the Scheme was filed by UltraTech in the High Court. During the course of the hearing, the High Court indicated that based on existing provisions of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 ("the MMDR Act, 2015"), only mining leases granted under an auction could be transferred. Since the mining leases, which form part of the business to be acquired by UltraTech from JAL, were allotted to JAL and not granted under an auction, the same could not, in terms of the MMDR Act, 2015, be transferred to UltraTech. Under the circumstances, UltraTech applied for the withdrawal of the Scheme filed before the High Court, which was permitted.

The Central Government has since amended the MMDR Act, 2015, which now provides an exception by permitting the transfer of mining leases used for captive purposes, which were granted otherwise than through an auction.

In a separate development, the Board of Directors of UltraTech, at its meeting held on 31st March, 2016, approved the signing of definitive agreement(s) for the acquisition of identified cement plants of JAL in Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Uttarakhand and Andhra Pradesh, representing an aggregate capacity of 21.20 MTPA at an Enterprise Value of ₹ 16,189 Crore. The transaction will be consummated by way of a court-sanctioned scheme to be formulated at a later date. The acquisition is expected to take around 12 months to fructify as it is subject to applicable statutory/regulatory approvals.

During the year, UltraTech commissioned the following assets and capacities:

- 26 MW Waste Heat Recovery Systems at different locations;
- 4.5 MTPA cement grinding capacity, this includes Greenfield cement grinding capacity at Jhajjar in Haryana and Dhankuni in West Bengal and a 1.6 MTPA cement grinding unit at Pataliputra in Bihar in April 2016; and
- 2.0 MTPA cement packing terminal at Pune in Maharashtra.

Aditya Birla Chemicals (Belgium) BVBA (ABCB), a subsidiary of erstwhile ABCIL, has become a subsidiary of the Company, w.e.f. 1st April, 2015, consequent to the merger of erstwhile ABCIL with the Company.

ABCB was incorporated on 24th December, 2014, as a subsidiary of erstwhile Aditya Birla Chemicals (India) Limited, with the objective to be involved in the process of packing, repackaging, loading, unloading, refilling and the processing of all sorts of chemicals, chemical products and their derivatives of any kind.

Being in the first year of operations, ABCB has started making in-roads in the European markets. ABCB will provide a base for further penetration of products like Aluminium Chloride, PAC, CPW, etc., in the European market.

AV Cell Inc. and AV Nackawic Inc., your Company's joint ventures, amalgamated to form a new corporation, i.e., AV Group NB Inc., with effect from 1st April, 2016.

In accordance with the first proviso to 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, associates and joint venture companies in Form AOC-1 is given in **Annexure 'A'** to this Report.

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

In accordance with Section 136(2) of the Act, the financial statements of the subsidiary companies and related information are available for inspection by the Members at the Registered Office of your Company, during business hours upto the date of the Annual General Meeting (AGM). Any Member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company.

During the year 2015-16, your Company has funded its subsidiaries, from time to time, as per the fund requirements,

through loans and other means to meet working capital requirements.

In accordance with Regulation 30(4)(ii) of SEBI (LODR), the Company has framed a Policy for Determining Material Subsidiaries, which has been uploaded on the Company's website www.grasim.com.

SHARE CAPITAL

During the year 2015-16, your Company has allotted Equity Shares as under:

- 1,461,657 Equity Shares to the eligible shareholders of erstwhile ABCIL in the ratio of 1 (one) Equity Share of ₹ 10/- each of the Company, credited as fully paid up, for every 16 (sixteen) Equity Shares of ₹ 10/- each of ABCIL held by them on 15th January, 2016 (Record Date); and
- 32,264 Equity Shares of ₹ 10/- each to the eligible employees pursuant to the exercise of stock options granted in terms of the Employees Stock Option Schemes of the Company.

Consequently, the paid up Equity Share Capital of the Company stood at ₹ 93.36 Crore.

During the year 2015-16, your Company has not issued shares with differential voting rights and sweat equity shares.

SUB-DIVISION OF EQUITY SHARES

The Board of Directors of your Company, at its meeting held on 11th August 2016, has approved the sub-division of each Equity Shares of the Company having face value of ₹ 10/- each fully paid-up into five Equity Shares of face value of ₹ 2/- each fully paid-up.

The sub-division of shares, which shall be subject to approval of the shareholders in the ensuing AGM, will result in change in the Authorized Share Capital of the Company from 11,95,00,000 Equity Shares of ₹ 10/- each to 59,75,00,000 Equity Shares of ₹ 2/- each. Such sub-division has been undertaken with the view to increase the liquidity and enhance the affordability of the Equity Shares of your Company. Consequently, the existing Clause 5 of the Memorandum of Association and Article 3 of the Articles of Association of the Company will be amended to reflect the change in face value of each Equity Share from ₹ 10 each to ₹ 2 each. Your Directors commend the Resolutions included in the Notice of this AGM for your approval.

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to the provisions of Section 186(4) of the Act and SEBI (LODR), disclosures on particulars relating to loans, advances and investments are provided as part of the Financial Statements. There are no guarantees issued or securities provided by your Company in terms of Section 186 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of this Report.

CORPORATE GOVERNANCE

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

In terms of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance, along with a certificate from the Auditors' on its compliance, forms an integral part of this Report. Auditors' Certificate on Corporate Governance is set out in **Annexure 'B'** to this Report.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Business Responsibility Report, describing the initiatives taken by your Company from environmental, social and governance perspective, forms an integral part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the Board accepted the request of Mr. Adesh Kumar Gupta for an early retirement from the office of the Whole-Time Director and Chief Financial Officer, with effect from the close of business hours on 30th June, 2015. The Board placed on record its deep appreciation for the valuable contribution and services rendered by Mr. Gupta during his association, spanning over three decades, with the Group. During the year under review, Mr. Gupta was paid sitting fees of ₹ 2.30 Lakh and commission of ₹ 1.00 Lakh by UltraTech for attending its Board meetings. Barring this, none of the managerial personnel of the Company is in receipt of remuneration/commission from the subsidiary companies of the Company.

As approved by the shareholders at the Annual General Meeting (AGM) held on 19th September, 2015, Mr. Sushil Agarwal (DIN: 00060017) was appointed as the Whole-Time Director and Chief Financial Officer of the Company for a period of five years, with effect from 1st July, 2015. Mr. Sushil Agarwal joined the Group 27 years ago, and has made significant contributions to the Group through his superior financial acumen, unmatched ability to lead complex business issues, ability to de-construct complexities and stimulate exceptional performance. Mr. Sushil Agarwal was conferred the Chairman's Outstanding Leader Award in the year 2013.

Pursuant to the Group's Policy of rotation of senior leaders, Mr. K. K. Maheshwari (DIN: 00017572) ceased to be the Managing Director of your Company, with effect from the close of business hours on 31st March, 2016, and moved to UltraTech as its Managing Director, with effect from 1st April, 2016.

Mr. K. K. Maheshwari is a long-serving member of the Aditya Birla Group and has held a variety of roles across the Group and has multi-business, multi-geography and has multi-cultural exposure. Over 31 years with the Group, he has built extensive profit, and cost centre experience in more than one Business. The Board placed on record its deep appreciation for the substantial contribution and services rendered by Mr. K. K. Maheshwari during his tenure with the Company as Managing Director.

Considering Mr. K. K. Maheshwari's (DIN: 00017572) immense contribution to the Company over the years and in the interest of the Company, the Board, on the recommendation of the Nomination and Remuneration Committee, appointed him as an Additional Director of the Company, with effect from 1st April, 2016. Mr. K. K. Maheshwari being an Additional Director, holds office upto the date of the ensuing Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. The Company has received a notice from Mr. K. K. Maheshwari along with the requisite deposit, signifying his candidature for appointment as a Director at the ensuing AGM. The resolution seeking Mr. K. K. Maheshwari's appointment has been included in the Notice of the AGM. Your Directors commend the Resolution for your approval.

Subject to the approval of the shareholders, the Board has, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Dilip Gaur (DIN: 02071393) as an Additional Director and Managing Director of the Company for a period of five years, w.e.f. 1st April, 2016. As an Additional Director, Mr. Dilip Gaur holds office upto the date of the ensuing AGM and is eligible to be appointed as a Director of the Company. The Company has received a notice from Mr. Dilip Gaur, along with the requisite deposit, signifying his candidature for appointment as a Director at the ensuing AGM. The resolutions seeking the appointment and remuneration of Mr. Dilip Gaur as Director and Managing Director, w.e.f. 1st April, 2016 have been included in the Notice of the AGM. Your Directors commend the Resolutions for your approval.

Mr. Arun Kannan Thiagarajan (DIN: 00292757) was appointed as an Additional Director and an Independent Director of the Company for a period of five consecutive years, with effect from 7th May, 2016, subject to the approval of the Members. Mr. Arun Kannan Thiagarajan, being an Additional Director, holds office upto the date of the ensuing AGM and is eligible to be appointed as a Director of the Company. The Company has received a notice in writing from Mr. Arun Kannan Thiagarajan, along with the requisite deposit, signifying his candidature for appointment as a Director at the AGM. The resolution seeking Mr. Arun Kannan Thiagarajan's appointment has been included in the Notice of the AGM. Your Directors commend the Resolution for your approval.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Shailendra K. Jain (DIN: 00022454) and Mrs. Rajashree Birla (DIN: 00022995), Directors of the Company, will retire by rotation at the ensuing AGM and, being eligible, have offered themselves for re-appointment. Resolutions seeking their appointment have been included in the Notice of the AGM. Your Directors commend the Resolutions for your approval.

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

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

FORMAL ANNUAL EVALUATION

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

MEETINGS OF THE BOARD

During the year ended 31st March, 2016, six Board Meetings were held, on 2nd May, 2015, 7th August, 2015, 29th October, 2015, 18th December, 2015, 4th January, 2016, and 30th January, 2016. Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report.

DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Schedules and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (LODR).

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Sections 134(3)(c) and 134(5) of the Act, in relation to the Audited Financial Statements of the Company for the year ended 31st March, 2016, the Directors of your Company hereby state that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) Annual Accounts have been prepared on a 'going concern' basis;
- e) proper internal financial controls, laid down by the Directors, were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems were adequate and operating effectively.

AUDITORS AND AUDIT REPORTS

STATUTORY AUDITORS

Presently, M/s. G. P. Kapadia & Co., Chartered Accountants, (Registration No. 104768W) and Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No. 117366W / W-100018) are the Joint Statutory Auditors of the Company. Pursuant to the provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, both the Statutory Auditors are due for rotation in the next AGM; i.e. 70th AGM. The Board of Directors, on recommendation of the Audit Committee, has decided to follow the rotation of auditors in such a manner that both of the joint auditors do not complete their terms in the same year.

At its meeting held on 7th May, 2016, the Board has appointed BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No.101248W/W-100022), as the Joint Statutory Auditors of the Company in place of Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018), the retiring Joint Statutory Auditors, for a period of five years, i.e., to hold office from the conclusion of this AGM till the conclusion of 74th AGM of the Company to be held in the year 2021, subject to the approval of the Members, at such remuneration as may be mutually agreed between the Board and BSR & Co. LLP. M/s. G. P. Kapadia & Co. will continue to hold office from the conclusion of this AGM till the conclusion of the next AGM of the Company. The Resolutions seeking the appointment and remuneration of the Statutory Auditors have been included in the Notice of the AGM. Your Directors commend the Resolutions for your approval.

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

The Board places on record its appreciation for the contribution of Deloitte Haskins & Sells LLP, Chartered Accountants, during their tenure as the Joint Statutory Auditors of your Company.

The observations made by the Statutory Auditors on the Financial Statements of the Company, in their Report for the financial year ended 31st March, 2016, 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 or disclaimer.

COST AUDITORS

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended, your Board at its meeting held on 7th May, 2016, has, on the recommendation of the Audit Committee, appointed M/s. D. C. Dave & Co., Cost Accountants, Mumbai, as the Cost Auditors in place of M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai to conduct the audit of the cost records of the Company for the financial year 2016-17 at a remuneration of ₹ 7.50 Lakh (Rupees Seven Lakh Fifty Thousand Only), plus applicable taxes and reimbursement of out-of-pocket expenses. Your Company has received consent from M/s.D. C. Dave & Co., Cost Accountants, to act as the Cost Auditors of your Company for the financial year 2016-17 along with a certificate confirming their independence.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members at the AGM for their ratification. Accordingly, a Resolution seeking Members ratification for the remuneration payable to Cost Auditors is included in the Notice convening the AGM. The Members are requested to ratify the remuneration payable to the Cost Auditors for 2016-17.

Your Company has filed the Cost Audit and Compliance Report for financial year 2014-15 with the Government.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. BNP & Associates, Company Secretaries, Mumbai, to conduct the secretarial audit for the financial year 2015-16. The Secretarial Audit Report, issued by M/s. BNP & Associates, Company Secretaries for the financial year 2015-16, forms part of this Report, and is set out in **Annexure 'C'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DISCLOSURES

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Act, an extract of the Annual Return of the Company for the financial year ended 31st March, 2016, is given in **Annexure 'D'** to this 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. There were no transactions with Related Parties, which qualify as material transaction under the SEBI (LODR). Prior approval of the Audit Committee of your Company has been obtained for all Related Party Transactions.

Since all the contracts/arrangements/transactions with Related Parties, during the year under review, were in the ordinary course of business and at arm's-length and were not considered material, disclosure in Form AOC-2 under Section 134(3)(h) of the Act, read with the Companies (Accounts of Companies) Rules, 2014, is not applicable. The details of contracts and arrangement with Related Parties of your Company for the financial year ended 31st March, 2016, are given in Note 4.5 to the Standalone Financial Statements forming part of this Annual Report.

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

RISK MANAGEMENT

Your Company recognises that Risk is an integral part of business and is committed to managing the risk in a pro-active

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has established a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company, which is in compliance of the provisions of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and SEBI (LODR). The Policy provides for framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimisation or any other unfair practice being adopted against them. Adequate safeguards are provided against victimisation to those who avail of the mechanism, and access to the Chairman of the Audit Committee in exceptional cases is provided to them. The details of the Vigil Mechanism are also provided in the Corporate Governance Report and the Whistle Blower Policy has been uploaded on the website of the Company, www.grasim.com.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee, which is chaired by Mrs. Rajashree Birla. 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.

The Company is a caring corporate citizen and lays significant emphasis on development of the host communities around which it operates. The Company, with this intent, has identified several projects relating to Social Empowerment and Welfare, Infrastructure Developments, Sustainable Livelihood, Health Care and Education during the year, and initiated various activities in the neighbouring villages around its plant locations. The work on several initiatives has picked up momentum during the year, resulting in a spend of ₹ 15.05 Crore (1.90% 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, which were started last year and will be intensified in the current year.

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

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

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

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.

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 'G'** to this Report. This Policy is available on the Company's website www.grasim.com.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Board has constituted an Audit Committee comprising of Mr. B. V. Bhargava, Mr. R. C. Bhargava, Mr. M. L. Apte and Mr. Arun Kannan Thiagarajan as its members. The Managing Director and Whole-time Director and Chief Financial Officer 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, Mr. K. K. Maheshwari (upto 31st March, 2016) and Mr. Dilip Gaur

(w.e.f. 1st April, 2016) as its members. Dr. Pragnya Ram, Group Executive President, Corporate Communication and CSR is a permanent invitee to the Committee. 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, Mr. Adesh Kumar Gupta (upto 30th June, 2015) 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.

RESEARCH AND DEVELOPMENT

While continuing to build our technology capabilities during the financial year 2015-16, your Company turned most of its 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 AND FIBRE BUSINESS

PROGRAMME PORTFOLIO

The state-of-the-art clonal sapling facility has produced in excess of 5 million saplings during the year, and expects to double the output in the next year. This will contribute to ensuring 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 and profitability of pulpwood plantations.

All Pulp and Fibre lines have shown continuous process improvements as reflected in First Pass Yield (FPY) parameters introduced as part of the Six Sigma-based techniques to improve product quality. FPY measurement systems are being further strengthened, and plans are being developed to initiate statistical process control for several FPY parameters. This effort has resulted in the continuous improvement of our customers' processing experience. Uptime metrics are being institutionalised at all units to provide nameplate capacity at intended design conditions, and to identify chronic mechanical deficiencies.

Reducing raw material and energy consumption continue to be the focus areas for reductions in overall production costs in the existing processes. Implementation of the improvements, such as R&D-led advances in raw material utilisation developed using the new Fibre Research Centre (FRC) facility, has been strengthened across all Plant sites. Ongoing efforts

to utilise waste heat and reduce steam consumption are expected to lead to significant savings in coal consumption. Technical support to the new plant at Vilayat was instrumental in stabilising the production capacity and product quality. Development of value added products has been a new focus area, and initial candidates are being scaled-up for commercial implementation. Development of new additives and finishes are enhancing product fibre friction behaviour leading to improvements in yarn spinning performance. The Textile Research and Applications Development Centre (TRADC) has significantly enhanced its business development support through its creation of innovative new fabric collections supporting today's fashion trends.

The in-house technology development initiative for the Excel® project, an alternative fibre process concept with superior environmental performance, gained significant momentum. Several new technology components were demonstrated at pilot scale to upgrade the current process and significantly improve the product quality and operational efficiency. The learnings from in-house development work and collaboration with external knowledge networks are being continuously implemented in the existing operations to achieve improved business performance and growth.

ENABLING CAPABILITIES

At your Company's joint venture, Domsjö's Pulp, R&D Team is improving process and pulp performance. New additive technologies and their delivery systems are expected to improve viscose uniformity and lower costs. In addition, new production grades are leading to increased sales to high value diversified applications. The Pulp and Fibre Innovation Centre (PFIC) at Taloja and the Birla Research Institute (BRI) are continuing to develop their bench-scale capabilities to expand the pipeline of new, high-value product concepts and improved processes. Collaborative support from Aditya Birla Science & Technology Company Private Limited (ABSTCPL) has enabled the programmes by drawing on their advanced facilities and skills in areas such as analytical science, materials, process and design engineering, modelling and control technologies. The TRADC organisation at Kharach, drawing on their fibre processing capabilities, and outside partnerships with technical institutes are expanding their work to develop new applications for cellulose fibres in support of continued market growth.

The technology talent pool has been increasing with the addition of skilled R&D professionals with diverse backgrounds, capabilities and experience. Your Company now has a core team of R&D professionals contributing to important technology programmes and initiatives. External knowledge networks continue to be expanded to complement internal capabilities, and are actively contributing to advanced technologies in the areas of cellulose pulp and novel new

fibres. In summary, significant contributions are being realised from the technology investments made over the last 3-4 years and work continues to further improve the programme portfolio and its execution to fully support the operations and marketing objectives for the Pulp and Fibre business.

CHEMICAL BUSINESS

The Company's Chemical business is committed for the development of technology, new products, processes improvements, energy conservation and environment protection. The objective is to address competitive market challenges in the areas of Product Quality, Cost Reduction and new Product Offerings.

VALUE ADDED PRODUCTS FROM CHLORINE IN THE FIELD OF WATER AND WASTE WATER TREATMENT:

The Company is making various blends of PAC like high basicity PAC, PAC tablets, cationic absorbent, etc., based on customer requirement. Also, the Company is developing new applications for handling waste water from dye industry, pulp and paper industry, and coal washery.

In Chlorinated Paraffin range of products, the Company has developed Viscosity modifier to bring down viscosity without compromising on other performance parameters which helped in penetrating new markets.

CHEMICAL DISTRIBUTION BUSINESS:

In the newly established specialty chemicals distribution business, the Company has undertaken product development/application development activities in various segments along with customers. In Insulators segment, the Company has completed trials on Silicones for latest generation of polymeric insulators used in transmission and distribution. In Telecommunication segment, the Company has developed Silicone gel with low viscosity for reducing air entrapment used in telecommunication cables. In medical segment, the Company has commercialised medical insoles for customers with very low hardness which helps to distribute the weight and gets recommended for diabetic patients. In automobile segment we have also commercialised anti-blooming additive for coolant hoses.

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

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

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set off in the aforesaid Rules, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, are to be set out in the Board's Report, as an annexure thereto. In line with the provisions of Section 136(1) of the Act, the Report and Accounts, as set out therein, are being sent to all 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 from 21 days before the AGM till 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.

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 its knowledge capital will drive growth and profitability. Your Company enjoys a strong brand image as a preferred and caring employer. The ongoing focus is on attracting, retaining and engaging talent with the objective

of creating a robust talent pipeline at all levels. We also worked to strengthen the 'World of Opportunities' employee positioning initiatives like a hiring freeze at some levels, robust talent review, career development conversations and best-in-class development opportunities will help enhance the employee experience at your Company.

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

AWARDS AND ACCOLADES

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

Birla Cellulosic, Kharach (Pulp & Fibre)

- "Best-in-Class – Manufacturing" category Award by World Quality Congress & Awards, in July 2015
- "Manufacturing Today" Award (Runner-up) for Excellence in Operations 2015, in September 2015.
- Prestigious Sustainability-focused Green Manufacturing Excellence Awards 2015, challengers award, large business by Frost & Sullivan, in May 2015
- 5th Annual Green-Tech CSR Award 2015 — Gold Award in Chemical Sector for Outstanding Achievement in CSR

Marketing and Business Development Division, Vadodara (Pulp and Fibre)

- The Synthetic Rayon Textiles Export Promotion Council — Export Award — Silver Award for Overall Exports Performance
- Make-in-India Award for Excellence in the Textiles Category

Renukoot (Chemical)

- National Energy Conservation Award for Energy Conservation in the Chlor Alkali Sector in 2015, by Ministry of Power, New Delhi
- Gold Award in Chemical Sector for Outstanding Achievement in Environment Management at 16th Annual Greentech Environment Awards, 2015
- Gold Award in Chemical Sector for Outstanding Achievement in CSR at 5th Annual Greentech CSR Awards, 2015

Rehla (Chemical)

- FACE (Foundation for Accelerated Community Empowerment) Rastra Vibhushan Award (Gold Category) 2015 in Community Development on Outstanding Contribution for National Economic & Social Development

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:

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

ACKNOWLEDGEMENTS

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments and all regulatory bodies 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

Mumbai, 11th August, 2016

(DIN: 00012813)

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 the Companies (Accounts) Rules, 2014
Part "A" – Subsidiaries

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 + 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
₹ in Crores														
1	Samruddhi Swastik Trading And Investments Limited	2015-16 2014-15	₹	6.50 6.50	32.29 30.60	6.44 6.78	0.87 0.93	33.22 31.25	- -	2.51 2.77	0.82 0.98	1.69 1.79	- -	100% 100%
2	Sun God Trading And Investments Limited	2015-16 2014-15	₹	0.05 0.05	0.42 0.40	0.03 0.09	₹ 41,392.00 ₹ 11,236.00	0.44 0.36	- -	0.03 0.04	0.01 0.01	0.02 0.03	- -	100% 100%
3	Aditya Birla Chemicals (Belgium) BVBA*	2015-16	Euro	EURO 6200	(0.01)	0.02	0.03	-	0.01	(0.01)	-	(0.01)	-	100%
			₹	0.05	0.83	1.30	2.08	-	1.08	(0.79)	-	(0.79)	-	100%
4	Grasim Bhiwani Textiles Limited (GBTL)	2015-16 2014-15	₹	20.05 20.05	77.28 88.17	281.71 306.72	184.38 198.50	- -	406.45 444.57	(8.60) 16.97	2.30 3.06	(10.90) 13.91	- -	100% 100%
5	UltraTech Cement Limited (UTCL) – (Standalone)	2015-16 2014-15	₹	274.43 274.40	20,461.66 18,583.28	32,743.96 30,006.20	17,115.99 16,357.27	4,397.61 4,507.44	23,841.03 22,656.48	3,056.96 2,886.25	882.31 871.52	2,174.31 2,014.73	313.78 297.24	60.25% 60.25%
6	Dakshin Cements Limited	2015-16 2014-15	₹	0.05 0.05	(0.05) (0.05)	₹ 37,774 ₹ 49,989	₹ 43,734 ₹ 48,958	- -	- -	₹ (6,991) ₹ (10,000)	- -	₹ (6,991) ₹ (10,000)	- -	60.25% 60.25%
7	Harish Cement Limited	2015-16 2014-15	₹	0.25 0.25	153.48 152.68	1.39 155.30	2.40 2.37	- -	- -	- -	- -	- -	- -	60.25% 60.25%
8	Gotan Limestone Khanij Udyog Pvt. Ltd.	2015-16 2014-15	₹	2.33 2.32	19.62 19.46	2.16 22.70	1.41 0.92	- -	- 7.96	- (2.45)	- 0.02	0.04 (2.47)	- -	60.25% 60.25%
9	Bhagwati Lime Stone Company Pvt. Ltd.	2015-16 2014-15	₹	0.01 0.01	1.89 1.91	0.03 1.94	0.01 0.02	- -	- -	- (0.02)	- -	- (0.02)	- -	60.25% 60.25%
10	UltraTech Cement Lanka Pvt. Ltd.	2015-16	SLR	50.00	127.46	249.03	71.57	-	1,078.84	74.13	20.29	53.84	50.00	48.20%
			₹	22.76	58.00	78.51	32.57	-	-	-	-	0.95	-	48.20%
		2014-15	SLR	50.00	123.41	223.54	50.13	-	1,031.48	86.69	24.58	62.10	70.00	48.20%
			₹	23.40	57.73	104.59	23.46	-	481.19	40.29	11.42	28.87	32.66	
11	UltraTech Cement Middle East Investment Ltd. (Standalone)	2015-16 2014-15	AED ₹	23.52 399.29	17.31 (33.40)	121.23 -	80.40 -	- 7711	- -	19.28 350.04	- -	19.28 350.04	- -	60.25% 60.25%
			AED	23.52	(1.97)	0.19	55.76	1,309.24	-	0.97	-	0.97	-	60.25%
			₹	399.29	(33.40)	3.26	946.61	-	16.22	-	-	16.22	-	
12	Star Cement Co. LLC, Dubai	2015-16 2014-15	AED ₹	5.09 86.39	(13.71) (247.17)	40.43 729.01	49.04 884.42	- -	31.87 578.62	1.15 20.90	- -	1.15 20.90	- -	60.25% 60.25%
			AED	5.09	(14.86)	64.18	73.95	-	40.06	(2.15)	-	(2.15)	-	60.25%
			₹	86.39	(252.26)	1,089.58	1,255.45	-	666.66	(35.81)	-	(35.81)	-	
13	Arabian Cement Industry LLC, Abu Dhabi	2015-16 2014-15	AED ₹	1.00 16.98	(4.37) (90.84)	19.79 335.23	23.16 409.10	- -	21.75 394.95	0.98 17.84	- -	0.98 17.84	- -	60.25% 60.25%
			AED	1.00	(5.35)	19.75	24.10	-	20.13	(1.04)	-	(1.04)	-	60.25%
			₹	16.98	(90.84)	335.23	409.10	-	334.95	(17.32)	-	(17.32)	-	
14	Star Cement Co. LLC, Ras Al Khaimah	2015-16 2014-15	AED ₹	14.36 258.99	4.53 81.66	89.43 1,612.73	70.54 1,272.07	- -	34.55 627.25	2.95 53.49	- -	2.95 53.49	20.00	60.25% 60.25%
			AED	14.36	21.57	113.22	77.29	-	41.61	6.91	-	6.91	-	60.25%
			₹	243.83	366.19	1,922.22	1,312.20	-	692.38	114.94	-	114.94	-	

* Aditya Birla Chemicals (Belgium) BVBA has become subsidiary w.e.f. 1st April, 2015 on amalgamation of Aditya Birla Chemicals (India) Ltd.

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 + 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)	₹ in Crores % of Shareholding
15	Al Nakhl Crushers LLC, Fujairah	2015-16	AED	0.20	(0.28)	5.46	5.55	-	4.25	1.21	-	1.21	-	60.25%
		2014-15	₹	3.61	(5.08)	98.55	100.03	-	77.10	21.94	-	21.94	-	60.25%
16	Arabian Gulf Cement Company WLL, Bahrain	2015-16	₹	0.20	(1.49)	5.61	6.90	-	3.91	1.02	-	1.02	-	60.25%
		2014-15	₹	3.40	(25.30)	95.18	117.09	-	65.13	16.99	-	16.99	-	60.25%
17	Emirates Cement Bangladesh Ltd., Bangladesh	2015-16	Bahrain Dirham (BHD)	0.03	0.89	1.02	0.10	-	1.10	0.14	-	0.14	0.06	60.25%
		2014-15	₹	5.27	155.68	179.08	18.13	-	193.91	24.96	-	24.96	-	60.25%
18	Emirates Power Company Ltd., Bangladesh	2015-16	Bahrain Dirham (BHD)	0.03	0.80	1.86	1.03	-	1.23	0.19	-	0.19	-	60.25%
		2014-15	₹	4.96	132.51	308.07	170.60	-	202.97	31.70	-	31.70	-	60.25%
19	Awam Minerals LLC, Sultanate of Oman (w.e.f. 23rd April, 2014)	2015-16	Takka	158.93	(107.62)	222.62	171.32	-	187.38	(4.83)	0.62	(5.45)	-	60.25%
		2014-15	₹	134.42	(91.02)	188.29	144.89	-	159.89	(4.12)	0.53	(4.65)	-	60.25%
20	PT UltraTech Mining Indonesia	2015-16	Takka	158.93	(102.17)	218.68	161.92	-	234.71	(2.13)	0.70	(2.83)	-	60.25%
		2014-15	₹	127.27	(81.82)	175.11	129.66	-	188.10	(1.70)	0.56	(2.27)	-	60.25%
21	PT UltraTech Investment Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
22	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
23	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
24	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
25	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
26	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
27	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
28	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
29	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
30	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
31	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
32	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
33	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
34	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
35	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
36	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
37	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
38	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
39	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
40	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
41	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
42	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
43	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
44	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
45	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
46	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
47	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
48	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
49	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
50	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
51	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
52	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
53	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
54	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
55	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
56	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
57	PT UltraTech Mining Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%
58	PT UltraTech Cement Indonesia	2015-16	Takka	27.00	(21.15)	20.84	15.00	-	4.47	-	-	-	-	60.25%
		2014-15	₹	22.83	(17.89)	17.63	12.68	-	3.81	-	-	-	-	60.25%

Part B – Joint Ventures/Associates

Sr. No.	Name of the Associate/ Joint Venture	AV Cell Inc.	AV Nackawic Inc.	Birla Jingwei Fibres Co. Limited	Birla Lao Pulp & Plantations Company Limited	Bhubaneswari Coal Mining Limited	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	Aditya Group AB	AV Terrace Bay Inc.	Bhaskarpura 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, 2016	31st March, 2016	31st March, 2016	31st December, 2015	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016
2	Share of Joint Venture held by the Company on year end												
i)	Number of Shares	81,000	123,750	NA	19,440	33,540,000	1,999,998	50	28,000,000	694,407	4,905,037	7,799,500	171,013,894
	Equity Shares												
	Preference Shares	-	6,750,000	NA	-	-	-	160,000	-	-	-	-	-
ii)	Amount of Investment in Joint Venture/ Associates	50.66	129.03	11740	91.24*	33.54	56.67	324.14	156.36	0.69	-	780	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	224.07	165.04	30.71	111.93	60.93	55.31	464.38	(15.50)	4.45	0.63	1.07	1059.74
4	Profit/(Loss) for the year	55.54	24.48	4.50	(3.36)	74.32	14.46	64.76	(31.69)	(0.01)	0.07	2.14	3,079.92
i)	Considered in Consolidation \$	15.09	4.91	1.20	(1.34)	19.32	4.82	16.95	(12.68)	₹ (40,084)	₹ 45,784	(0.83)	146.29
ii)	Not considered in Consolidation	40.45	19.57	3.30	(2.02)	55.00	9.64	47.81	(19.01)	₹ (26,445)	₹ 30,206	2.97	2,933.63

Represents Associates

* Excluding Provision for Diminution in Long-Term Investment of ₹ 55.43 Crore

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

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

Dilip Gaur
Managing DirectorSushil Agarwal
Whole-Time Director &
Chief Financial OfficerR. C. Bhargava
DirectorM. L. Apte
DirectorHutokshi Wadia
Company Secretary

Mumbai, 7th May, 2016

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF GRASIM INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Grasim Industries Limited for the year ended on March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), and Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 provision as specified in Chapter IV of SEBI Regulations and Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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: 11th August, 2016

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2016

[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 - 456331
Ujjain, Madhya Pradesh

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives, during the conduct of Secretarial Audit, and subject to our separate letter attached as Annexure I; 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, 2016, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act'), and the Rules made thereunder and the Companies Act, 1956 (to the extent applicable to the Company);
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA), and the Rules made thereunder;
- (iii) The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes; and
- (ii) 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, Standards, etc., mentioned above.

During the period under review, provisions of the following Regulations, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors, that took place during the period under review, were carried out in compliance with the provisions of the Act.

Proper notice is given to all Directors to schedule the Board meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were generally 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.

We further report that during the audit period, the Company has obtained an approval from the Hon'ble High Court of Madhya Pradesh, Indore Bench on 9th October, 2015, with respect to a Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with the Company.

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

B. Narasimhan
Partner

Place: Mumbai
Date: 7th May, 2016

FCS 1303 / CP No. 10440

Annexure I to the Secretarial Audit Report for the Financial Year ended 31st March, 2016

To
The Members
Grasim Industries Limited

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

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records and compliance based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial

records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.

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

B. Narasimhan
Partner

Place: Mumbai
Date: 7th May, 2016

FCS 1303 / CP No. 10440

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

i. CIN	L17124MP1947PLC000410
ii. Registration Date	25th August, 1947
iii. Name of the Company	Grasim Industries Limited
iv. Category/Sub-Category of the Company	Public Company limited by shares
v. Address of the Registered Office and Contact Details	PO. Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India Tel: (07366) 246760 – 255151 Fax: (07366) 244114/246024 Website: www.grasim.com/www.adityabirla.com E-mail: grasim.secretarial@adityabirla.com
vi. Whether Listed Company (Yes/No)	Yes
vii. Name, Address and Contact Details of Registrar and Transfer Agent, if any	Sharepro Services (India) Private Limited (Upto 25th April, 2016) 13 AB, Samhita Warehousing Complex, 2nd Floor, Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072 Karvy Computershare Pvt. Ltd. (w.e.f. 26th April, 2016) "Karvy Selenium", Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2300 1153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of Main Products/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1.	Viscose Staple Fibre	20302	67%
2.	Chemicals	20116	32%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate of the Company	% of Shares Held	Applicable Section
1.	UltraTech Cement Limited B-Wing, Ahura Centre, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai - 400093	L26940MH2000PLC128420	Subsidiary	60.25	2(87)
2.	Grasim Bhiwani Textiles Limited 409, Cotton Exchange Building, Kalbadevi Road, Mumbai - 400002	U17120MH2007PLC173993	Subsidiary	100	2(87)
3.	Samruddhi Swastik Trading and Investments Limited Birlagram, Nagda, Ujjain, Madhya Pradesh - 456331	U67120MP1994PLC008447	Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate of the Company	% of Shares Held	Applicable Section
4.	Sun God Trading and Investments Limited Birlagram, Nagda, Ujjain, Madhya Pradesh - 456331	U67120MP1994PLC008446	Subsidiary	100	2(87)
5.	Aditya Birla Chemicals (Belgium) BVBA	N. A.	Subsidiary	100	2(87)
6.	Aditya Birla Science & Technology Company Private Limited Aditya Birla Centre, C-Wing, 1st Floor S. K. Ahire Marg, Worli, Mumbai - 400030	U74200MH2006PTC158951	Associate	39	2(6)
7.	Idea Cellular Limited Suman Tower, Plot No. 18, Sector-11, Gandhinagar, Gujarat - 382011	L32100GJ1996PLC030976	Associate	4.75	2(6)

IV. SHARE HOLDING 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 (1st April, 2015)				No. of Shares held at the end of the year (31st March, 2016)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individuals/ HUFs	1,33,372	-	1,33,372	0.15	1,33,372	-	1,33,372	0.14	-0.01
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	2,32,96,096	-	2,32,96,096	25.36	2,41,19,219	-	2,41,19,219	25.84	0.48
e. Banks/ FIs	-	-	-	-	-	-	-	-	-
f. Others	-	-	-	-	-	-	-	-	-
Sub-Total - A(1)	2,34,29,468	-	2,34,29,468	25.51	2,42,52,591	-	2,42,52,591	25.98	0.47
2. Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FIs	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-
Sub-Total - A(2)	-	-	-	-	-	-	-	-	-
Total Share Holding Promoters (A) = A(1) + A(2)	2,34,29,468	-	2,34,29,468	25.51	2,42,52,591	-	2,42,52,591	25.98	0.47
B. Public Shareholding									
1. Institution									
a. Mutual Funds	70,04,163	7,978	70,12,141	7.63	82,69,679	7,739	82,77,418	8.87	1.24
b. Banks/ FIs	1,69,818	12,536	1,82,354	0.20	1,36,024	27,432	1,63,456	0.18	-0.02
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	250	250	0.00	0.00

ANNEXURE "D" TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2015)				No. of Shares held at the end of the year (31st March, 2016)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	83,60,561	3,486	83,64,047	9.11	75,75,893	3,486	75,79,379	8.12	-0.99
g. FIs	2,09,61,259	1,591	2,09,62,850	22.82	2,13,07,879	1,591	2,13,09,470	22.83	0.01
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total - B(1)	3,64,95,801	25,591	3,65,21,392	39.76	3,72,89,475	40,498	3,73,29,973	39.99	0.23
2. Non-Institution									
a. Bodies Corporate	62,02,160	75,692	62,77,852	6.83	70,20,933	59,396	70,80,329	7.59	0.75
(i) Indian									
(ii) Overseas									
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	67,00,568	16,40,854	83,41,422	9.08	69,06,569	15,57,774	84,64,343	9.07	-0.01
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,79,330	-	7,79,330	0.85	5,51,496	-	5,51,496	0.59	-0.26
c. Others (specify)									
(i) NRIs (Rep.)	2,37,839	2,01,923	4,39,762	0.48	2,31,097	1,91,285	4,22,382	0.45	-0.03
(ii) NRIs (Non-Rep.)	1,24,667	26,903	1,51,570	0.17	1,41,960	25,847	1,67,807	0.18	0.01
(iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
(iv) OCB	-	26,22,613	26,22,613	2.86	-	26,22,613	26,22,613	2.81	-0.05
Sub-Total - B(2)	1,40,44,564	45,67,985	1,86,12,549	20.26	1,48,52,055	44,56,915	1,93,08,970	20.69	0.42
Total Public Shareholding B = B(1) + B(2)	5,05,40,365	45,93,576	5,51,33,941	60.02	5,21,41,530	44,97,413	5,66,38,943	60.68	0.65
Total (A + B)	7,39,69,833	45,93,576	7,85,63,409	85.53	7,63,94,121	44,97,413	8,08,91,534	86.66	1.32
C. Shares held by Custodians for GDRs and ADRs									
Promoters and Promoter Group	48,02,304	-	48,02,304	5.23	48,02,304	-	48,02,304	5.14	-0.09
Public	84,86,222	250	84,86,472	9.24	76,52,118	150	76,52,268	8.20	-1.04
Total (C)	1,32,88,526	250	1,32,88,776	14.47	1,24,54,422	150	1,24,54,572	13.34	-1.13
Grand Total (A + B + C)	8,72,58,359	45,93,826	9,18,52,185	100.00	8,88,48,543	44,97,563	9,33,46,106	100.00	

Note: There is change in the number of shares held by the Promoters' companies due to shares received by them pursuant to amalgamation of Aditya Birla Chemicals (India) Limited with the Company.

ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Change in Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	%
1	Mr. Kumar Mangalam Birla	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	0.02	-	-	-
5	Mrs. Neerja Birla	14,020	0.02	-	14,020	0.02	-	-	-
6	M/s. Turquoise Investments and Finance Private Limited	59,08,341	6.43	-	59,08,341	6.33	-	-	-
7	Trapti Trading and Investments Private Limited	54,77,863	5.96	-	54,77,863	5.87	-	-	-
8	Pilani Investment and Industries Corporation Ltd.	43,00,293	4.68	-	43,24,668	4.63	-	24,375	-0.05
9	TGS Investment and Trade Private Limited	27,75,104	3.02	-	27,75,104	2.97	-	-	-
10	Hindalco Industries Limited	22,99,059	2.50	-	30,49,370	3.27	-	7,50,311	0.76
11	Umang Commercial Company Pvt. Ltd.	16,00,823	1.74	-	16,00,823	1.71	-	-	-
12	IGH Holdings Private Limited	5,32,628	0.58	-	5,32,628	0.57	-	-	-
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	-	-	-
23	Renuka Investments And Finance Limited	-	-	-	48,437	0.05	-	48,437	0.05

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

Sl. No.	Shareholder's Name	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	Pilani Investment and Industries Corporation Ltd.				
	At the beginning of the year	43,00,293	4.68	-	-
	Shares allotted pursuant to Scheme of Amalgamation as on 20.01.2016	-	-	24,375	0.03
	At the end of the Year	-	-	43,24,668	4.63
2	Hindalco Industries Limited				
	At the beginning of the year	22,99,059	2.50	-	-
	Shares allotted pursuant to Scheme of Amalgamation as on 20.01.2016	-	-	750311	0.80
	At the end of the Year	-	-	30,49,370	3.27
3	Renuka Investment And Finance Limited				
	At the beginning of the year	0	0	-	-
	Shares allotted pursuant to Scheme of Amalgamation as on 20.01.2016	-	-	48,437	0.05
	At the end of the Year	-	-	48,437	0.05

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

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	67,62,454	7.36	1-Apr-15	-	-	67,62,454	7.36
				24-Apr-15	8,819	Transfer	67,71,273	7.37
				1-May-15	64,401	Transfer	68,35,674	7.44
				8-May-15	76,368	Transfer	69,12,042	7.53
				15-May-15	72,701	Transfer	69,84,743	7.60
				22-May-15	62,304	Transfer	70,47,047	7.67
				19-Jun-15	9,031	Transfer	70,56,078	7.68
				26-Jun-15	67,093	Transfer	71,23,171	7.76
				30-Jun-15	6,390	Transfer	71,29,561	7.76
				3-Jul-15	12,276	Transfer	71,41,837	7.78

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				31-Jul-15	(20,082)	Transfer	71,21,755	7.75
				7-Aug-15	(1,19,023)	Transfer	70,02,732	7.62
				14-Aug-15	(1,42,908)	Transfer	68,59,824	7.47
				21-Aug-15	(15,796)	Transfer	68,44,028	7.45
				4-Sep-15	46,262	Transfer	68,90,290	7.50
				11-Sep-15	29,119	Transfer	69,19,409	7.53
				18-Sep-15	68,262	Transfer	69,87,671	7.61
				25-Sep-15	68,969	Transfer	70,56,640	7.68
				30-Sep-15	43,751	Transfer	71,00,391	7.73
				9-Oct-15	3,204	Transfer	71,03,595	7.73
				30-Oct-15	(13,476)	Transfer	70,90,119	7.72
				6-Nov-15	(38,617)	Transfer	70,51,502	7.68
				13-Nov-15	(19,244)	Transfer	70,32,258	7.66
				27-Nov-15	(52,703)	Transfer	69,79,555	7.60
				4-Dec-15	(51,333)	Transfer	69,28,222	7.54
				11-Dec-15	(9,822)	Transfer	69,18,400	7.53
				31-Dec-15	(1,174)	Transfer	69,17,226	7.53
				8-Jan-16	(18,154)	Transfer	68,99,072	7.51
				26-Feb-16	(2,16,506)	Transfer	66,82,566	7.28
				11-Mar-16	(9,066)	Transfer	66,73,500	7.15
				18-Mar-16	(96,210)	Transfer	65,77,290	7.05
				25-Mar-16	(1,24,968)	Transfer	64,52,322	6.91
		62,80,468	6.73	31-Mar-16	(1,71,854)	Transfer	62,80,468	6.73
2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	32,59,582	3.55	1-Apr-15	-	-	32,59,582	3.55
				10-Apr-15	5,657	Transfer	32,65,239	3.55
				17-Apr-15	11,910	Transfer	32,77,149	3.57
				24-Apr-15	8,008	Transfer	32,85,157	3.58
				1-May-15	(6,170)	Transfer	32,78,987	3.57
				8-May-15	11,331	Transfer	32,90,318	3.58
				15-May-15	208	Transfer	32,90,526	3.58
				22-May-15	(549)	Transfer	32,89,977	3.58
				29-May-15	(22,306)	Transfer	32,67,671	3.56
				5-Jun-15	1,594	Transfer	32,69,265	3.56
				12-Jun-15	1,789	Transfer	32,71,054	3.56
				19-Jun-15	8,375	Transfer	32,79,429	3.57

ANNEXURE "D" TO THE BOARD'S REPORT

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				26-Jun-15	(22,645)	Transfer	32,56,784	3.55
				30-Jun-15	458	Transfer	32,57,242	3.55
				3-Jul-15	6,930	Transfer	32,64,172	3.55
				10-Jul-15	15,529	Transfer	32,79,701	3.57
				17-Jul-15	8,893	Transfer	32,88,594	3.58
				24-Jul-15	1,703	Transfer	32,90,297	3.58
				7-Aug-15	5,101	Transfer	32,95,398	3.59
				14-Aug-15	12,437	Transfer	33,07,835	3.60
				21-Aug-15	5,180	Transfer	33,13,015	3.61
				28-Aug-15	70,953	Transfer	33,83,968	3.68
				4-Sep-15	21,482	Transfer	34,05,450	3.71
				11-Sep-15	9,524	Transfer	34,14,974	3.72
				18-Sep-15	(2,276)	Transfer	34,12,698	3.71
				25-Sep-15	16,623	Transfer	34,29,321	3.73
				30-Sep-15	(2,067)	Transfer	34,27,254	3.73
				9-Oct-15	51,622	Transfer	34,78,876	3.79
				16-Oct-15	1,085	Transfer	34,79,961	3.79
				23-Oct-15	(658)	Transfer	34,79,303	3.79
				30-Oct-15	7,441	Transfer	34,86,744	3.80
				6-Nov-15	1,094	Transfer	34,87,838	3.80
				13-Nov-15	16,231	Transfer	35,04,069	3.81
				20-Nov-15	11,583	Transfer	35,15,652	3.83
				27-Nov-15	21,747	Transfer	35,37,399	3.85
				4-Dec-15	16,954	Transfer	35,54,353	3.87
				11-Dec-15	9,646	Transfer	35,63,999	3.88
				18-Dec-15	12,667	Transfer	35,76,666	3.89
				25-Dec-15	(1,749)	Transfer	35,74,917	3.89
				31-Dec-15	14,262	Transfer	35,89,179	3.91
				8-Jan-16	(40)	Transfer	35,89,139	3.91
				15-Jan-16	(7,515)	Transfer	35,81,624	3.90
				22-Jan-16	40,778	Transfer	36,22,402	3.94
				29-Jan-16	21,081	Transfer	36,43,483	3.97
				5-Feb-16	54,080	Transfer	36,97,563	3.96
				12-Feb-16	1,429	Transfer	36,98,992	3.96
				19-Feb-16	29,588	Transfer	37,28,580	3.99

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				26-Feb-16	12,662	Transfer	37,41,242	4.01
				4-Mar-16	7,789	Transfer	37,49,031	4.02
				11-Mar-16	5,450	Transfer	37,54,481	4.02
				18-Mar-16	1,489	Transfer	37,55,970	4.02
				25-Mar-16	31,095	Transfer	37,87,065	4.06
		37,91,724	4.06	31-Mar-16	4,659	Transfer	37,91,724	4.06
3	ABERDEEN GLOBAL INDIAN EQUITY (MAURITIUS) LIMITED	31,22,346	3.40	1-Apr-15	-	-	31,22,346	3.40
				29-Jan-16	(55,000)	Transfer	30,67,346	3.34
		30,67,346	3.29	31-Mar-16	-	-	30,67,346	3.29
4	EUROPACIFIC GROWTH FUND	15,44,513	1.68	1-Apr-15	-	-	15,44,513	1.68
				16-Oct-15	1,83,441	Transfer	17,27,954	1.88
		17,27,954	1.85	31-Mar-16	-	-	17,27,954	1.85
5	HDFC TRUSTEE COMPANY LIMITED – HDFC EQUITY FUND	9,99,473	1.09	1-Apr-15	-	-	9,99,473	1.09
				8-May-15	7,500	Transfer	10,06,973	1.10
				29-May-15	25,000	Transfer	10,31,973	1.12
				6-Nov-15	32,250	Transfer	10,64,223	1.16
				15-Jan-16	(30,000)	Transfer	10,34,223	1.13
		10,34,223	1.11	31-Mar-16	-	-	10,34,223	1.11
6	ABERDEEN EMERGING MARKETS FUND	8,50,794	0.93	1-Apr-15	-	-	8,50,794	0.93
				10-Apr-15	23,808	Transfer	8,74,602	0.95
				17-Apr-15	9,132	Transfer	8,83,734	0.96
				24-Apr-15	18,264	Transfer	9,01,998	0.98
				8-May-15	1,63,249	Transfer	10,65,247	1.16
				15-May-15	2,43,649	Transfer	13,08,896	1.43
				22-May-15	1,17,141	Transfer	14,26,037	1.55
				5-Jun-15	1,10,145	Transfer	15,36,182	1.67
				19-Jun-15	8,788	Transfer	15,44,970	1.68
				3-Jul-15	44,479	Transfer	15,89,449	1.73
				10-Jul-15	42,799	Transfer	16,32,248	1.78
				24-Jul-15	46,346	Transfer	16,78,594	1.83

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				31-Jul-15	7,746	Transfer	16,86,340	1.84
				7-Aug-15	5,076	Transfer	16,91,416	1.84
		16,91,416	1.81	31-Mar-16	-	-	16,91,416	1.81
7	GENERAL INSURANCE CORPORATION OF INDIA	8,40,204	0.91	1-Apr-15	-	-	8,40,204	0.91
				10-Apr-15	(5,000)	Transfer	8,35,204	0.91
				29-Jan-16	(6,766)	Transfer	8,28,438	0.90
				5-Feb-16	(4,854)	Transfer	8,23,584	0.88
				12-Feb-16	(38,380)	Transfer	7,85,204	0.84
				4-Mar-16	(6,720)	Transfer	7,78,484	0.83
				11-Mar-16	(28,280)	Transfer	7,50,204	0.80
				18-Mar-16	(25,000)	Transfer	7,25,204	0.78
		7,25,204	0.78	31-Mar-16	-	-	7,25,204	0.78
8	FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS FUND	8,39,497	0.91	1-Apr-15	-	-	8,39,497	0.91
				17-Apr-15	7,183	Transfer	8,46,680	0.92
				24-Apr-15	71,995	Transfer	9,18,675	1.00
				1-May-15	52,465	Transfer	9,71,140	1.06
				8-May-15	33,076	Transfer	10,04,216	1.09
				15-May-15	12,047	Transfer	10,16,263	1.11
				7-Aug-15	5,244	Transfer	10,21,507	1.11
				21-Aug-15	8,315	Transfer	10,29,822	1.12
				28-Aug-15	69,488	Transfer	10,99,310	1.20
				4-Sep-15	19,407	Transfer	11,18,717	1.22
				11-Sep-15	5,172	Transfer	11,23,889	1.22
				18-Sep-15	4,925	Transfer	11,28,814	1.23
				25-Sep-15	3,525	Transfer	11,32,339	1.23
				29-Jan-16	5,088	Transfer	11,37,427	1.24
				5-Feb-16	2,066	Transfer	11,39,493	1.22
				12-Feb-16	25,412	Transfer	11,64,905	1.25
				19-Feb-16	13,159	Transfer	11,78,064	1.26
				26-Feb-16	23,769	Transfer	12,01,833	1.29
				4-Mar-16	55,874	Transfer	12,57,707	1.35
				11-Mar-16	14,415	Transfer	12,72,122	1.36

Sl. No.	Shareholder's Name	Shareholding		Date of Transaction	Increase/ Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				18-Mar-16	12,174	Transfer	12,84,296	1.38
				25-Mar-16	1	Transfer	12,84,297	1.38
		12,84,297	1.38	31-Mar-16	-	-	12,84,297	1.38
9	ABERDEEN EMERGING MARKETS EQUITY FUND, A SERIES OF THE ABERDEEN INSTITUTIONAL COMMINGLED FUND LCC	8,37,268	0.91	1-Apr-15	-	-	8,37,268	0.91
		8,37,268	0.90	31-Mar-16	-	-	8,37,268	0.90
10	ABERDEEN GLOBAL – EMERGING MARKETS EQUITY FUND	8,00,274	0.87	1-Apr-15	-	-	8,00,274	0.87
		8,00,274	0.86	31-Mar-16	-	-	8,00,274	0.86

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.	Mr. Kumar Mangalam Birla (Director)				
	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.	Mrs. Rajashree Birla (Director)				
	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.	Mr. M. L. Apte (Director)				
	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.	Mr. B. V. Bhargava (Director)				
	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

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
5.	Mr. R. C. Bhargava (Director)				
	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.	Dr. Thomas Martin Connolly Jr. (Director)				
	At the beginning of the year	100	0.00	0	0.00
	Sale as on 11.07.2015	(100)	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
7.	Mr. Shailendra K. Jain (Director)				
	At the beginning of the year	12,999	0.01	12,999	0.01
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	12,999	0.01	12,999	0.01
8.	Mr. N. Mohan Raj (Director)				
	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.	Mr. O. P. Rungta (Director)				
	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
10.	Mr. Cyril Shroff (Director)				
	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
11.	Mr. K. K. Maheshwari (Managing Director)				
	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	0.00
12.	Mr. Adesh Kumar Gupta (Ceased to be Whole-time Director & Chief Financial Officer, w.e.f. 30th June, 2015)				
	At the beginning of the year	980	0.00	980	0.00
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	N.A.			
13.	Mr. Sushil Agarwal (Whole-time Director & Chief Financial Officer) (Appointed w.e.f. 1st July, 2015)*				
	At the beginning of the year:	N.A.			
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	78 [#]	0.00	78	0.00

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
14.	Mrs. Hutokshi Wadia (Company Secretary)				
	At the beginning of the year:	-	-	-	-
	Date-wise Increase/Decrease:	-	-	-	-
	At the end of the year	-	-	-	-

* including the Equity Shares held by HUF.

V. INDEBTEDNESS:

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

(₹ in Crores)

Particulars		Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year – 1st April, 2015					
1)	Principal Amount	1,005.85	109.11	-	1,114.96
2)	Interest Due but not Paid	-	-	-	-
3)	Interest Accrued but not Due	9.09	0.04	-	9.13
Total of 1 + 2 + 3		1,014.94	109.15	-	1,124.09
Change in Indebtedness during the Financial Year					
+ Addition		360.98	546.99	-	907.97
– Reduction		(166.06)	(17.53)	-	(183.59)
Net Change		194.92	529.45	-	724.38
Indebtedness at the end of the Financial Year – 31st March, 2016					
1)	Principal Amount	1,200.78	638.57	-	1,839.34
2)	Interest Due but not Paid	-	-	-	-
3)	Interest Accrued but not Due	7.13	0.16	-	7.29
Total of 1 + 2 + 3		1,207.91	638.73	-	1,846.63

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. K. K. Maheshwari, Managing Director	Mr. Adesh Kumar Gupta, Whole-time Director & CFO*	Mr. Sushil Agarwal, Whole-time Director & CFO#	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	605.75	337.63	129.31	1,072.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.62	4.24	5.76	11.62
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961				
		-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	– As % of Profit				
	– Others, specify				
5.	Others, please specify Provident Fund and Other Funds (PF, SAF, NPS)	24.62	8.76	14.83	48.21
6.	Performance Bonus	305.54	76.80	-	382.34
	Total (A)	937.53	427.43	149.90	1,514.86
	Ceiling as per the Act	10% of net profit of the Company			

*Resigned as Whole-time Director & CFO w.e.f. 30th June, 2015.

#Appointed as Whole-time Director & CFO w.e.f. 1st July, 2015.

B. Remuneration of other Directors:**I. Independent Directors:**

(₹ in Lakhs)

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	7.20	7.00	5.20	3.00	3.00	0.90	26.30
Commission proposed*	16.00	20.00	15.00	5.00	5.00	6.00	67.00
Others, please specify	-	-	-	-	-	-	-
Total (I)	23.20	27.00	20.20	8.00	8.00	6.90	93.30

* Excluding service tax

II. Other Non-Executive Directors:

Other Non-Executive Directors	Mr. Kumar Mangalam Birla	Mrs. Rajashree Birla	Mr. Shailendra K. Jain	Mr. N. Mohanraj*	Total Amount
Fee for attending Board Committee Meetings	3.10	0.90	2.90	3.00	9.90
Commission proposed [#]	623.00	41.00	14.00	5.00	683.00
Others, please specify	-	-	-	-	-
Total (II)	626.10	41.90	16.90	8.00	692.90
Total (B) = (I + II)					786.20
Ceiling as per the Act	1% of net profit of the Company				

*To be paid to LIC.

[#] Excluding service tax**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sl. No.	Particulars of Remuneration	Name of the KMP	Total Amount
		Mrs. Hutokshi Wadia	
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	47.97	47.97
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.23	0.23
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	– as % of Profit		
	– Others, specify	-	-
5.	Others, please specify Contribution to Provident Fund	4.05	4.05
	Performance Bonus	0.96	0.96
	Total (C)	53.21	53.21

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ended 31st March, 2016.

For and on behalf of the Board

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Mumbai, 11th August, 2016

ANNUAL REPORT ON CSR ACTIVITIES

- 1 A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web link to the CSR policy and projects or programmes : To actively contribute to the social and economic development of the communities in which we operate. In so doing, build a better, sustainable way of life for the weaker sections of the society, 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:
http://www.grasim.com/about_us/CSR_Policy
- 2 Composition of the CSR Committee : Mrs. Rajashree Birla, Chairperson
Mr. Shailendra K. Jain, Member
Mr. B. V. Bhargava, Member
Mr. Dilip Gaur, Member
Dr. Pragnya Ram, Group Executive President, Corporate Communication and CSR, Permanent Invitee
- 3 Average net profit of the Company for last three financial years : ₹ 791 Crore
- 4 Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) : ₹ 15.82 Crore
- 5 **Details of CSR Spent during the Financial Year:**
Total amount to be spent for the financial year : ₹ 15.82 Crore
Amount unspent, if any : ₹ 0.77 Crore
Manner in which the amount spent during the financial year : Details given below

Sr. No.	CSR Projects/Activities Identified	Sector in which the Project Covered	Project/ Programme Local Area/ others, specify the State/ District where the Project Undertaken	Amount Outlay (Budget) Project or Programme-wise (₹ in Lakhs)	Amount Spent on the Project/ Programme Sub-heads: (1) Direct Expenditure on Project/ Programme (2) Overheads (₹ in Lakhs)	Cumulative Expenditure upto the Reporting Period (₹ in Lakhs)	Amount Spent: Direct or through *Implementing Agency
I	Education						
1.	Pre-school Education Project: Balwadies/play schools/ crèches; Strengthening Anganwadi Centres	Education	Bharuch and Surat (Gujarat), Ujjain (MP), Haveri (Karnataka)	3.62	3.38	777.95	All expenses incurred directly by the Company/ through Implementing Agency

Sr. No.	CSR Projects/Activities Identified	Sector in which the Project Covered	Project/ Programme Local Area/ others, specify the State/ District where the Project Undertaken	Amount Outlay (Budget) Project or Programme-wise (₹ in Lakhs)	Amount Spent on the Project/ Programme Sub-heads: (1) Direct Expenditure on Project/ Programme (2) Overheads (₹ in Lakhs)	Cumulative Expenditure upto the Reporting Period (₹ in Lakhs)	Amount Spent: Direct or through *Implementing Agency
2.	School Education Project: Enrolment Awareness Programmes/Events; Formal Schools outside campus (Company-run); Education Material (Study materials, Uniforms, Books, etc.); Scholarship (Merit and Need-based assistance) School Competitions/ Best Teacher Award; Cultural Events, Quality of Education (support teachers, improve education methods); Specialised Coaching; Exposure Visits/ Awareness, Formal Schools inside campus (Company Schools), Support to Mid-Day		Bharuch and Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind and Morena (MP), Rehla (Jharkand), Renukoot (UP), Ganjam (Odisha)	678.15	717.98		
3.	Education Support Programmes: Knowledge Centre/ Library; Adult/Non-Formal Education; Celebration of National Days; Computer Education; Reducing Drop-out and Continuing Education (Kasturba Balika/Counselling), Career Counselling and Orientation		Bharuch and Surat (Gujarat), Ujjain (MP), Haveri, Karwar (Karnataka), Bhind and Morena (MP), Rehla (Jharkhand)	16.98	17.76		
4.	Vocational and Technical Education: Strengthening ITIs; Skill-based Individual Training Programmes		Morena and Ujjain (MP),	0.90	0.91		

Sr. No.	CSR Projects/Activities Identified	Sector in which the Project Covered	Project/ Programme Local Area/ others, specify the State/ District where the Project Undertaken	Amount Outlay (Budget) Project or Programme-wise (₹ in Lakhs)	Amount Spent on the Project/ Programme Sub-heads: (1) Direct Expenditure on Project/ Programme (2) Overheads (₹ in Lakhs)	Cumulative Expenditure upto the Reporting Period (₹ in Lakhs)	Amount Spent: Direct or through *Implementing Agency
5.	School Infrastructure: Building and Civil Structure (new), Building and Civil Structures (renovation and maintenance), School Sanitation/ Drinking Water; School facilities and fixtures (furniture/black boards/ computers)		Bharuch and Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP)	32.35	37.92		
II Health Care							
1.	Preventive Health Care: Immunization, Pulse Polio Immunization, Health Check-up Camps, Ambulance Mobile Dispensary Programme, Malaria/ Diarrhoea/Control Programmes, Health and Hygiene Awareness Programmes, School Health/Eye/Dental Camps, Yoga/Fitness Classes	Health Care	Bharuch and Surat (Gujarat), Ujjain, Bhind and Morena (MP), Haveri, Karwar (Karnataka), Rehla (Jharkhand)	12.58	8.33	366.56	All expenses incurred directly by the Company/ through Implementing Agency
2.	Curative Health Care Programme: General Health Camps Specialised Health Camps, Eye Camps, Treatment Camps (Skin, Cleft, etc.), Cleft Camp, Homeopathic/Ayurvedic Camps, Surgical Camps, Tuberculosis Leprosy Company-operated Hospitals/Dispensaries/ Clinics		Bharuch and Surat (Gujarat), Ujjain, Bhind and Morena (MP), Haveri (Karnataka), Rehla (Jharkhand)	307.72	261.00		

Sr. No.	CSR Projects/Activities Identified	Sector in which the Project Covered	Project/ Programme Local Area/ others, specify the Sate/ District where the Project Undertaken	Amount Outlay (Budget) Project or Programme-wise (₹ in Lakhs)	Amount Spent on the Project/ Programme Sub-heads: (1) Direct Expenditure on Project/ Programme (2) Overheads (₹ in Lakhs)	Cumulative Expenditure upto the Reporting Period (₹ in Lakhs)	Amount Spent: Direct or through *Implementing Agency
3.	Reproductive and Child Health: Mother and Child Health Care (Antenatal and Neonatal Care), Adolescent Health Care, Infant and Child Health (Healthy Baby Competition), Support to Family Planning/ Camps, Nutritional Programmes for Mother/Child		Bharuch and Surat (Gujarat), Ujjain (MP)	3.32	3.41		
4.	Quality/Support Programme: Referral Services Treatment of BPL, old age or needy patient, HIV-AIDS Awareness Programme, RTI/STD Awareness Programme, Support for differently-abled, Ambulance Services, Blood Donation Camps, Blood Grouping		Ujjain (MP), Haveri (Karnataka), Bhind and Morena (MP), Bharuch (Gujarat), Rehla (Jharkhand)	0.75	2.81		
5.	Health Infrastructure and Others: Buildings and Civil Structures (new), Buildings and Civil Structures (renovation and maintenance), Village Community Sanitation (toilets/drainage), Individual Toilets, Drinking Water new sources, (Hand pump/ RO/Water Tank/Well), Drinking Water existing sources (operation/ maintenance), Water source purification		Bharuch and Surat (Gujarat), Ujjain, Bhind and Morena (MP), Haveri, Karwar (Karnataka), Rehla (Jharkhand)	80.39	91.01		

Sr. No.	CSR Projects/Activities Identified	Sector in which the Project Covered	Project/ Programme Local Area/ others, specify the State/ District where the Project Undertaken	Amount Outlay (Budget) Project or Programme-wise (₹ in Lakhs)	Amount Spent on the Project/ Programme Sub-heads: (1) Direct Expenditure on Project/ Programme (2) Overheads (₹ in Lakhs)	Cumulative Expenditure upto the Reporting Period (₹ in Lakhs)	Amount Spent: Direct or through *Implementing Agency
III Environment and Livelihood							
3	1. Agriculture and Farm-Based: Agriculture and Horticulture Training Programme/Farmers Group Transfer of Technology-Demonstration Plots, Support for Horticulture Plots, Seeds Improvement Programme, Support for improved agriculture equipment and inputs, Exposure visits/ Support for Agricultural <i>Mela</i> , Integrated agricultural/horticultural improvement, Productivity improvement Programmes, soil health and organic farming	Environment and Livelihood	Ujjain (MP), Bharuch (Gujarat), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP)	4.52	4.07	71.75	All expenses incurred directly by the Company/ through Implementing Agency
	2. Animal Husbandry-Based: Treatment and Vaccination, Breed Improvement Productivity, Improvement Programmes and Training		Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand)	13.58	13.68		
	3. Non-Farm and Skill-Based Income Generation Programmes: Capacity-building Programmes – Tailoring, Beauty Parlour, Mechanical, Rural Enterprise Development and Income Generation Programmes, Support to SHGs for entrepreneurial activities		Bharuch and Surat (Gujarat), Ujjain, Bhind and Morena (MP), Haveri and Karwar (Karnataka), Rehla (Jharkhand)	27.97	26.55		

Sr. No.	CSR Projects/Activities Identified	Sector in which the Project Covered	Project/ Programme Local Area/ others, specify the State/ District where the Project Undertaken	Amount Outlay (Budget) Project or Programme-wise (₹ in Lakhs)	Amount Spent on the Project/ Programme Sub-heads: (1) Direct Expenditure on Project/ Programme (2) Overheads (₹ in Lakhs)	Cumulative Expenditure upto the Reporting Period (₹ in Lakhs)	Amount Spent: Direct or through *Implementing Agency
4.	Natural Resource Conservation Programmes and Non-Conventional Energy: Bio-gas Support Programme, Solar Energy Support and other energy support programmes – low-smoke wood stoves/sky light), Plantation/Green-belt Development/ Roadside Plantation, Soil Conservation/ Land Improvement, Water Conservation and Harvesting (small structures/bigger structures), Community Pasture Land Development/Orchard Development		Ujjain (MP), Bharuch (Gujarat), Haveri (Karnataka), Rehla (Jharkhand), Ganjam (Odisha)	11.54	17.85		
5.	Livelihood Infrastructure and Others:		Ujjain (MP) and Rohela (Jharkhand)	6.75	9.60		
IV Rural Development Projects							
	Rural Infrastructure Development other than for the purpose of Health/Education/ Livelihood and Others: New Roads/Culverts/ Bridges/Bus Stands, Repair Roads/Culverts/ Bridges/Bus Stands Community Halls/ Housing, Other Community Assets and Shelters	Rural Development Projects	Bharuch and Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Bhind and Morena (MP), Renukoot (UP), Ganjam (Odisha)	82.77	59.87	59.87	All expenses incurred directly by the Company/ through Implementing Agency
V Social Empowerment							
1.	Institutional-building and Strengthening: Strengthening/ Formation of Community-based Organisation (SHGs), Support to Development Organisations, Old Age Home, Orphanage	Social Empowerment	Bharuch and Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand)	2.37	5.41	29.69	All expenses incurred directly by the Company/ through Implementing Agency

Sr. No.	CSR Projects/Activities Identified	Sector in which the Project Covered	Project/ Programme Local Area/ others, specify the State/ District where the Project Undertaken	Amount Outlay (Budget) Project or Programme-wise (₹ in Lakhs)	Amount Spent on the Project/ Programme Sub-heads: (1) Direct Expenditure on Project/ Programme (2) Overheads (₹ in Lakhs)	Cumulative Expenditure upto the Reporting Period (₹ in Lakhs)	Amount Spent: Direct or through *Implementing Agency
2.	Social Security and Support to Development Organisation: Support to Old Age/ Widow/Physically-Challenged Persons/ Poor Insurance, Pension Scheme		Haveri (Karnataka)	0.96	0.95		
3.	Awareness Programmes: Community Awareness Programmes, Awareness Campaign, Social Abuse, Early Marriages/HIV Prevention		Bharuch and Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP)	1.70	1.70		
4.	Social Events to Minimise Causes of Poverty: Support to Mass Marriages/Widow Re-marriages; National Days Celebrations with Community; Support with Basic Amenities		Bharuch and Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP)	2.83	2.64		
5.	Promotion of Culture/ Sports: Support to Rural Cultural Programmes, Festivals and <i>Melas</i> ; Support to Rural Sports		Bharuch and Surat (Gujarat), Bhind and Morena (MP), Rehla (Jharkhand), Ganjam (Odisha)	4.35	4.02		
6.	Disaster Relief Programmes, Support to Development Organisations and Others		Bharuch and Surat (Gujarat), Bhind and Morena (MP), Rehla (Jharkhand), Ganjam (Odisha)	10.55	14.97		

Sr. No.	CSR Projects/Activities Identified	Sector in which the Project Covered	Project/ Programme Local Area/ others, specify the State/ District where the Project Undertaken	Amount Outlay (Budget) Project or Programme-wise (₹ in Lakhs)	Amount Spent on the Project/ Programme Sub-heads: (1) Direct Expenditure on Project/ Programme (2) Overheads (₹ in Lakhs)	Cumulative Expenditure upto the Reporting Period (₹ in Lakhs)	Amount Spent: Direct or through *Implementing Agency
VI	Protection of heritage, art and culture						
	Traditional Handicrafts Promotion/ Development (Handloom Textiles – Ikat, Jamdani and Banarasi Artisans)	Protection of heritage, art and culture		500.00	150.00	150.00	All expenses incurred directly by the Company/ through Implementing Agency
VII	Salaries and Overheads			51.84	49.33	49.33	All expenses incurred directly by the Company/ through Implementing Agency
	Total (₹ in Lakhs)			1,858.49	1,505.15	1,505.15	

* Grasim Jana Seva Trust

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

Grasim works, in 180 villages, reaching out to a populace of 6.0 lakh. For the financial year 2015-16, the Company has invested ₹ 15.05 Crore as against ₹ 15.82 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 Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

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

Dilip Gaur
Managing Director
(DIN: 02071393)
11th August, 2016

Rajashree Birla
Chairperson, CSR Committee
(DIN: 00022995)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND 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 or impact on conservation of energy

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

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

i) Viscose Staple Fibre (VSF) and Pulp Units

- Various schemes to improve the utilisation of available heat in the system through heat integration of various processes, such as preheating of DM water in Acid and Power plants through process streams, preheating of air in fibre dryer using scrubber water and maturing drum cooling using CD plant chilled water, were implemented at different Units to save steam and power.
- Adoption of high efficiency equipment such as pumps, LP ejectors in place of HP ejectors and diffused aeration system for improved performance and reduction in utility consumption.
- Improvement in process for energy conservation, such as adoption of regenerative unit in place of break chopper in machine inverter and changing the chiller operation to series instead of parallel to save energy.
- Installation of VFD's in high energy consuming drives.

ii) Chemical Units

- Conversion of 4th Generation Electrolyser to 6th Generation Electrolyser.
- Installation of IE3/IE4 motors instead of IE2 in power plant.
- Replacement of conventional lights with LED lights.

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).
- Solar lights used for lightening of Plant roads.

c) The capital investments on energy conservation equipment

- Total investment made ₹ 56.59 Crore

B. TECHNOLOGY ABSORPTION

a) The efforts made towards technology absorption

- Development and market seeding of dope-dyed modal fibre at in house Fibre Research Centre (FRC).
- Absorption of technology for improving quality of spun dyed fibre.
- Installation of additional reactors to utilise left over Pre-Hydrolysis liquor to generate Biogas.
- Conversion of 4th Generation Electrolyser to 6th Generation Electrolyser.

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

- Reduction in power consumption with conversion from 4th Generation to 6th Generation Electrolyser.
- Commissioning of new fibre lines of modal and micro modal and successfully marketed the product meeting Global benchmark quality standards.
- Fine tuning of VSF process for reduction in consumption of key raw materials leading to cost control.
- Improved biogas generation.

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

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

d) The expenditure incurred on Research and Development

Expenditure	₹ in Crores
a. Capital	5.56
b. Revenue	38.00
	<u>43.56</u>

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Foreign Exchange used : ₹ 3,036.93 Crore
- Foreign Exchange earned : ₹ 2,217.64 Crore

For and on behalf of the Board

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Mumbai, 11th August, 2016

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

ADITYA BIRLA GROUP: EXECUTIVE REMUNERATION PHILOSOPHY/POLICY

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

Our Business and Organisational Model

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

I. Objectives of the Executive Remuneration Programme

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

Our executive remuneration programme is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis; and
2. Emphasise “Pay for Performance” by aligning incentives with business strategies to reward executives, who achieve or exceed Group, business and individual goals.

II. Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company;
2. Key Managerial Personnel: Chief Executive Officer and equivalent (e.g., Deputy Managing Director), Chief Financial Officer and Company Secretary; and
3. Senior Management.

III. Business and Talent Competitors

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

practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

IV. Executive Pay Positioning

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

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

V. Executive Pay-Mix

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

Annual Incentive Plan:

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

Long-Term Incentives:

Our long-term incentive plans incentivise stretch performance, link executive remuneration to sustained long-term growth and act as a retention and reward tool.

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

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

VI. Performance Goal Setting

We aim to ensure that, for both annual incentive plans

and long-term incentive plans, the target performance goals shall be achievable and realistic.

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

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

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

VII. *Executive Benefits and Perquisites*

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

Other Remuneration Elements:

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

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

Risk and Compliance:

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

Clawback Clause:

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

Implementation:

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

Mumbai, 11th August, 2016

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12)
OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

Sr. No.	Name of the Director/KMP and Designation	Ratio of Remuneration of each Director to the Median Remuneration of Employees for the Financial Year 2015- 16 ^(a)	% Increase/ (Decrease) in Remuneration in the Financial Year 2015-16
1	Mr. Kumar Mangalam Birla Chairman and Non-Executive Director	159.84	38.44
2	Mrs. Rajashree Birla Non-Executive Director	10.52	32.26
3	Mr. M. L. Apte Independent Director	4.11	42.22
4	Mr. B. V. Bhargava Independent Director	5.13	42.86
5	Mr. R. C. Bhargava Independent Director	3.85	36.36
6	Mr. Cyril Shroff Independent Director	1.54	20.00
7	Dr. Thomas M. Connolly Jr. Independent Director	1.28	150.00
8	Mr. O. P. Rungta Independent Director	1.28	233.33
9	Mr. N. Mohan Raj Nominee Director (payable to LIC)	1.28	100.00
10	Mr. Shailendra K. Jain Non-Executive Director	3.59	33.33
11	Mr. K. K. Maheshwari Managing Director	240.54	16.21
12	Mr. Adesh Kumar Gupta Whole -time Director & CFO	Not Applicable ^(b)	Not Applicable ^(b)
13	Mr. Sushil Agarwal Whole-time Director & CFO	Not Applicable ^(c)	Not Applicable ^(c)
14	Mrs. Hutokshi Wadia Company Secretary	Not Applicable ^(d)	Not Applicable ^(d)

- (a) Remuneration to Non-Executive and Independent Directors includes commission payable for the year ended 31st March, 2016, which is subject to the approval of the Members of the Company. Sitting fee paid to the Directors is excluded.
- (b) Mr. Adesh Kumar Gupta ceased to be the Whole-time Director and CFO of the Company with effect from the close of business hours on 30th June, 2015, and hence, remuneration paid to him is not comparable with the previous year.
- (c) Mr. Sushil Agarwal was appointed as the Whole-time Director and CFO with effect from 1st July, 2015, and, hence, remuneration paid to him is not comparable with the previous year.
- (d) Mrs. Hutokshi Wadia was appointed as the Company Secretary with effect from 1st March, 2015, and, hence, remuneration paid to her is not comparable with the previous year.

Remuneration of Mr. K. K. Maheshwari includes variable pay for the year ended 31st March, 2015, which was paid during the financial year 2015-16.

- 2. During the financial year 2015-16, there was an increase of 4.56% over the previous financial year, in the Median remuneration of the employees. The calculation of percentage increase in the Median Remuneration is based on the comparable employees.
- 3. There were 8,891 permanent employees on the rolls of the Company as on 31st March, 2016.
- 4. Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2015-16, was 9.5% over the previous financial year, which is in line with the industry benchmark and cost of living index. However, the average salaries of the managerial personnel for the same financial year increased by 16.2% due to the better performance of the Company as compared to the previous financial year.
- 5. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy/Policy of the Company.

For and on behalf of the Board

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Mumbai, 11th August, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

India remains the fastest growing economy among emerging markets. GDP recorded a growth of 7.6% in FY 15-16 compared to 7.2% in FY 14-15. Inflation has moderated, and the current account and fiscal deficit are stable. Various policy measures initiated by the Government coupled with a good monsoon forecast is expected to increase the pace of growth. The Indian economy has benefited from lower commodity prices, particularly crude oil prices. The country's growth in FY 15-16 was primarily driven by private consumption and public investments. India received FDI worth \$ 36.0 Bn. in FY 15-16, 10% higher than last year, which also helped. With inflation under control, further easing of monetary policy should boost credit off take. The implementation of 7th Pay Commission recommendations is likely to boost

consumption in the economy. The rise in aggregate demand, in turn, should help reduce excess capacity in the manufacturing sector and push up private investments.

On the other hand, Global economic growth, as indicated by IMF, moderated to 3.1% in 2015 from 3.4% in 2014. The slowdown and rebalancing of the Chinese economy continued to weigh on growth in the emerging market economies. The US increased interest rates for the first time in nine years, given the improvement in its growth prospects. The Eurozone and Japan, and some other European countries, on the other hand, are struggling with deflation and have introduced negative interest rates to encourage consumption.

BUSINESS PERFORMANCE REVIEW

Viscose Staple Fibre (VSF)

	Unit	FY 15-16	FY 14-15	% Change
Standalone Performance				
Installed Capacity	'000 TPA	498	434 ¹	15
Production	'000 Tons	465	408	14
Sales Volumes	'000 Tons	467	403	16
Net Divisional Revenue	₹ in Crores	6,022	4,974	21
EBITDA	₹ in Crores	924	464	99
EBITDA Margin	%	15.3	9.3	-
Consolidated Performance²				
Net Divisional Revenue	₹ in Crores	7,656	6,643	15
EBITDA	₹ in Crores	1,093	459	138
EBITDA Margin	%	14.3	6.9	

¹ Effective Capacity for the year

² Including Pulp and Fibre JVs.



VSF demand has been growing at a faster rate in the last couple of years vis-à-vis overall Fibre consumption globally, driven by growing prosperity in Asian Countries and a stagnant demand for cotton.

PERFORMANCE REVIEW

VSF demand has been growing at a faster rate in the last couple of years vis-à-vis overall Fibre consumption globally, driven by growing prosperity in Asian Countries and a stagnant demand for cotton.

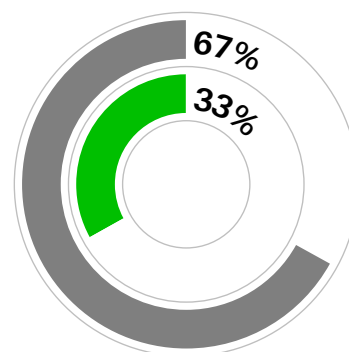
VSF prices were under pressure in the last couple of years, given the overcapacity in China and the decline of competing fibre prices. Prices improved in the first half due to stoppage of a few plants in China on account of environmental issues, maintenance shutdowns, etc. Prices saw a correction with the restart of some of the shut capacities and recovered again with the beginning of new season. After two years, VSF prices have started to trade at premium to cotton in the global markets. On the other hand, Polyester Staple Fibre prices witnessed a steep fall with the fall in Crude Oil prices.

The Vilayat plant, which was commissioned in FY 14-15, achieved a fast ramp up and attained full utilisation from the 2nd quarter onwards. As a result, production increased by 14%. Realisation went up with the improvement in international markets. Pulp prices, after declining during the quarter 1, witnessed an uptrend with an increase in VSF prices. However, due to the lag effect, the average pulp cost was lower on YoY basis.

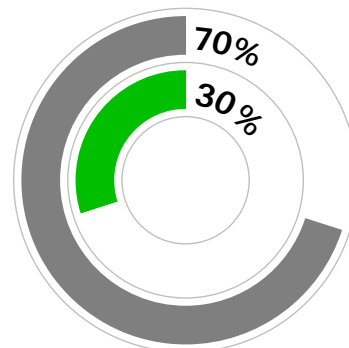
Your Company launched brand 'LIVA' for VSF based products during the previous year. It was met with good response from consumers. Your Company has been working closely with partners across the textile value chain through Liva Accredited Partner Forum (LAPF). These initiatives have led to higher usage of VSF in the domestic market. Growth in export markets

was equally strong. The overall volume grew by 16%. The production of Modal was started at the Vilayat plant in line with the Company's strategy of increasing the share of speciality fibre. The increase in non-woven VSF volume was yet another focus area. Higher share of speciality fibre has led to a better product-mix as compared to the previous year.

FY 15-16



FY 14-15



■ Speciality ■ Normal Fibre

The improvement in various efficiency parameters like steam usage along with consumption norms of various raw materials led to cost savings. Economies of scale and a decline in pulp cost helped in further reducing the manufacturing cost. Increased volumes, improved realisations and better operating efficiency led to higher operating profits.

The Pulp JVs reported considerable improvement in financial performance. As against a loss of ₹ 25 Crore (the Company's share) in FY 2014-15 at EBITDA level, these JVs have reported an EBITDA of ₹ 158 Crore in the current year. The upsurge in realisation driven by the depreciation of the Canadian dollar and Swedish kroner, and lower energy cost benefited pulp JVs.

Sector Outlook

Capacity additions have slowed down globally. Further, after a gap of five years, Cotton production is projected to be lower than the consumption in Season 2015-16 with the reduced

acreage, unfavourable climate and crop damage by pest attack. As a result, the price volatility of VSF is expected to reduce going forward.

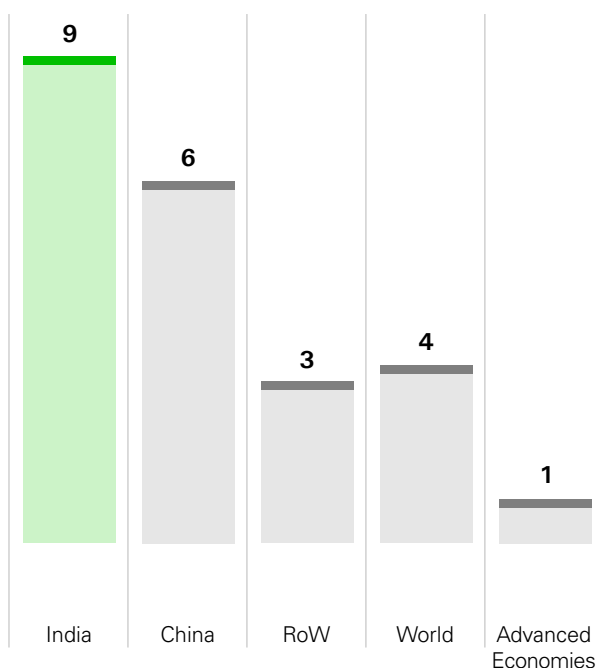
Business Outlook

Your Company will continue to focus on expanding VSF consumption in India. Partnering with the textile value chain through LAPF and better customer connect through Brand Liva are key initiatives in this respect. Enhancing the product-mix through larger share of specialty fibre will continue to be an area of thrust as well.

VSF has the highest growth among various textile fibres in the last five years. Furthermore, the demand for apparels has been growing in India at the rate of 9% compared to the global average. This combination of presence in right markets and right fibre will enable your Company to continuously strengthen its position in VSF business.

Presence in Right Market

Apparel Growth CAGR 2010-2015 (%)



Market size
(2015)
(Bn. Units)

7.2

38.6

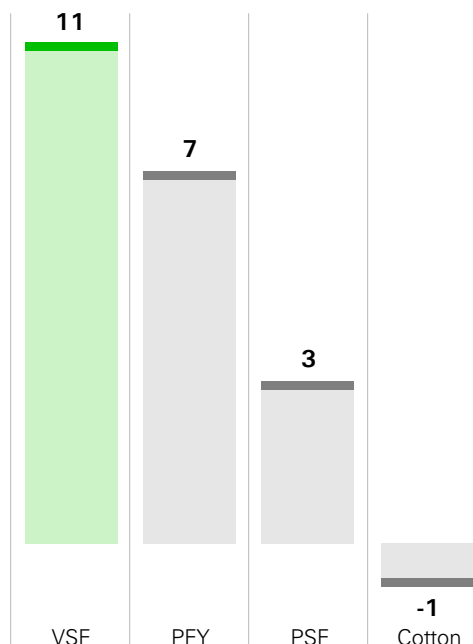
25.4

102.8

31.6

...and Right Product

Fibre Growth CAGR 2010-2015 (%)



Market size
(2015)
(Mn. Tons)

5.1

32.2

15.9

23.6

Source: Euro Monitor

Source: Fibre Organon, PCI Fibres, ICAC

Chemicals

	Unit	FY 15-16 ¹	FY 14-15	% Change
Caustic Soda				
- Installed Capacity	'000 TPA	804	453	78
- Production	'000 Tons	756	412	84
- Sales Volumes	'000 Tons	763	409	86
Chemical Business				
Net Divisional Revenue	₹ in Crores	3,436	1,701	102
EBITDA	₹ in Crores	747	292	156
EBITDA Margin	%	21.7	17.1	-

¹ On account of merger of ABCIL with the Company in FY 15-16, not comparable with FY 14-15

PERFORMANCE REVIEW

The demand for Caustic Soda in domestic markets rose by 8%, mainly with the increase in demand from Alumina, Paper and Textiles (Fibre) industries. There were no major capacity additions leading to increase in capacity utilisation for the industry.

During the year, Aditya Birla Chemicals (India) Ltd. (ABCIL), a leading Chlor Alkali manufacturer, has been merged with the Company, w.e.f. 1st April, 2015, by way of a Court approved Scheme of Amalgamation u/s 391-394 of the Companies Act, 1956.

Your Company reported a significant jump of 86% in sales volume, with additional volumes resulting from the ABCIL merger. On a Like for Like (LFL) basis, volumes were up by 13%. ECU realisation improved, aided by an increase in Caustic prices. This was offset to some extent by Chlorine prices as they continued to remain under pressure. EBITDA was up by 156% at ₹ 747 Crore. On a LFL basis, EBITDA extended by 47% from ₹ 292 Crore to ₹ 428 Crore with higher volume and realisation. The Epoxy plant has ramped up well, attaining 87% utilisation level.

Sector Outlook

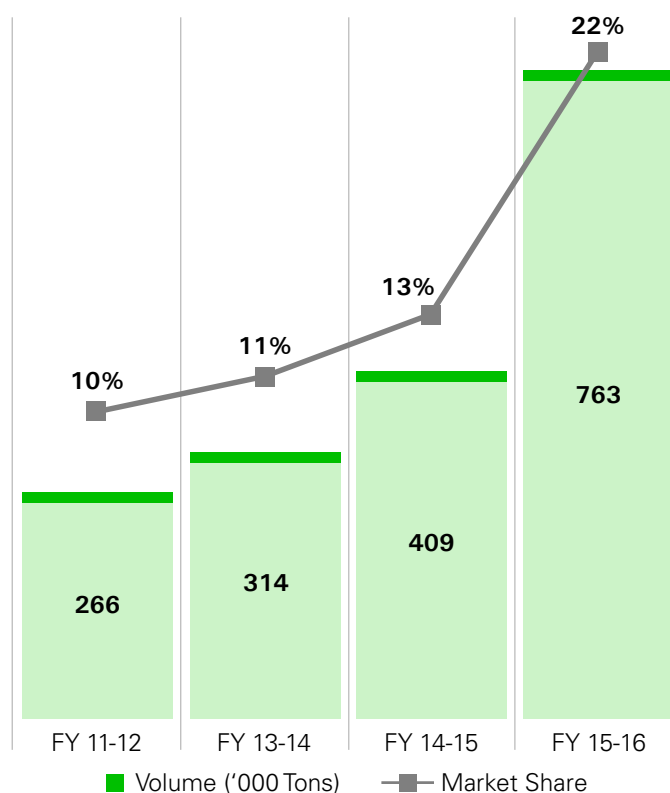
Caustic demand in India will be driven by the expected increase in demand from key consuming sectors like Alumina, Fibre, Textile, etc., The industry faces the risk of cheaper imports, which may put some pressure on Caustic prices. Chlorine demand is also slated to improve with expectations of a good monsoon and greater demand from Agrochemicals, Organic intermediaries and Pharmaceutical industries.

Business Outlook

Your Company is operating Chlor Alkali plants at nearly full capacity levels. Therefore, a Brownfield

expansion of 144K TPA is on the anvil at Vilayat, Gujarat. Further, debottlenecking at Vilayat, Karwar, Ganjam and Nagda plants will raise the capacity by 100K TPA. The total capacity post-expansion will stand augmented to 1,048K TPA. The business strives to improve profitability by taking energy conservation measures and higher captive use of Chlorine by enhancing the volume of value added products.

Caustic Soda – Increase in Volume and Market Share



UltraTech Cement Ltd. (Cement Subsidiary)

	Unit	FY 15-16 ¹	FY 14-15 ¹	% Change
Grey Cement				
Installed Capacity	Mn. TPA	67.70	63.15	7
Production	Mn. Tons	50.57	46.71	8
Sales Volumes ¹	Mn. Tons			
- Cement		50.88	47.09	8
- Clinker		0.45	1.08	-
White Cement & Putty				
Capacity	Lakh Tons	13.60	13.60	-
Production	Lakh Tons	13.21	12.04	10
Sales Volumes ¹	Lakh Tons	13.12	12.24	7
Cement Business				
Net Divisional Revenue	₹ in Crores	25,552	24,340	5%
EBITDA ²	₹ in Crores	5,109	4,777	7%
EBITDA Margin	%	19.9	19.4	-

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

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

PERFORMANCE REVIEW

During the year, UltraTech's cement capacity increased by 4.5 Mn. TPA, taking the total capacity to 67.70 Mn. TPA. Two Greenfield cement grinding plants were commissioned at Jhajjar, Haryana, and Dankuni, West Bengal.

Cement production increased by 8% from 46.71 million tons in the previous year to 50.57 million tons for the year. Capacity utilisation improved to 76% on a higher capacity base. Your Company's domestic sales volume grew 8% at 46.93 million tons, which nearly twice that of the estimated industry demand growth of 4.6%. Cement exports were up by about 7%. Sales volume for white cement and wall care putty registered a growth of 7%, largely supported by wall care putty performance. Net revenue at ₹ 25,552 Crore increased by 5% over the previous year, mainly on account of higher sales volume.

Overall energy cost fell by 16% from ₹ 979 per ton during the previous year to ₹ 824 per ton. This was the result of softening of coal and petcoke prices, increase in petcoke usage and efficiency improvements. The use of petcoke in the kilns expanded to 70% from 52% in the previous year. This was achieved by changing the raw-mix design and other process improvements. Usage of petcoke was also enhanced in thermal power plants. UltraTech is also evaluating the use of other

waste materials in line with its philosophy of sustainable growth. Towards this, capex has been incurred at several locations. UltraTech disposed of around 1.3 lakh ton of waste in the kiln resulted in saving total fuel requirements by about 2%.

UltraTech commissioned 26 MW of waste heat recovery systems (WHRS). With this WHRS capacity stands extended to 59 MW in Cement Business. These systems are now stabilising and are presently catering to around 5-6% of its total power requirement.

While softening of diesel price aided in keeping a check on overall logistics cost, the escalation in rail freight partially offset the overall benefit. UltraTech is working on optimizing its logistics mix. This, coupled with the commissioning of new capacities during the year, is expected to result in reduction of overall lead distance.

UltraTech's EBITDA for the year at ₹ 5,109 Crore is higher by 7% over the previous year. The operating margin remained range bound.

Outlook for Cement Business

Cement demand remained subdued for most part of FY 15-16 on account of low demand, particularly from the housing segment. However, the last quarter showed

some signs of recovery in demand with double digit growth; on the back of infrastructure spending and demand from development activities in Andhra Pradesh and Telangana.

As the economy picks up and given the Governments' increased focus on infrastructure and housing with its emphasis on Housing for all by 2020, Make in India initiatives, Smart Cities, increased housing demand due to a benign interest rate environment, the cement industry is expected to perform well in the coming years.

Grasim Bhiwani Textiles Limited (GBTL) – Textile Subsidiary

The Performance of GBTL, wholly owned Textile subsidiary of your Company, was impacted due to the weakness in the PV fabrics industry. Sales revenue was down at ₹ 421 Crore as against ₹ 464 Crore last year, due to lower sales in Over-the-Counter Segment. EBITDA for the year was lower at ₹ 10 Crore because of the impact of the hike in minimum wages, amendment in Payment of Bonus Act and lower volumes.

FINANCIAL REVIEW AND ANALYSIS

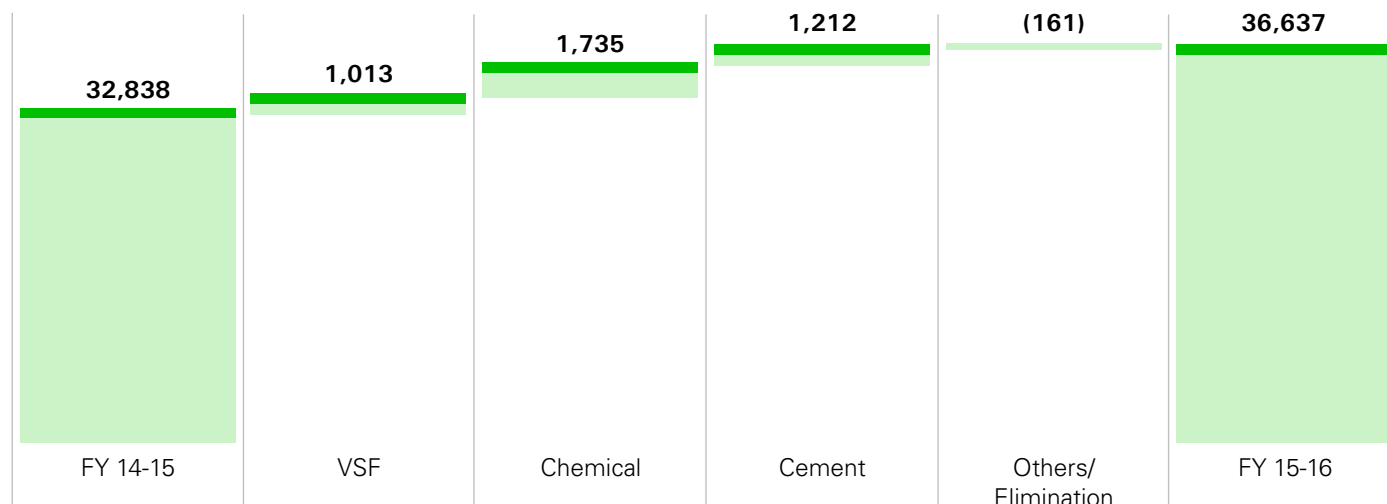
Consolidated Financial Performance

₹ in Crores

	FY 15-16	FY 14-15	% Change
Revenue from Operations (Net)	36,637	32,838	12
Other Income	336	539	(38)
Earnings Before Interest, Depreciation and Tax	7,025	5,683	24
Interest	751	667	13
Depreciation	1,911	1,563	22
Profit Before Tax Expenses (Before Exceptional Item)	4,363	3,453	26
Exceptional Item	(28)	(9)	-
Profit Before Tax Expenses	4,335	3,443	26
Tax Expenses	1,211	1,016	19
Profit After Tax	3,124	2,427	29
Less: Minority Interest	911	838	9
Add: Share in Profit of Associates	145	154	(6)
Profit for the Year	2,359	1,744	35

Revenue from Operations

The revenue from operations grew by 12% from ₹ 32,838 Crore to ₹ 36,637 Crore. All businesses achieved higher volumes leading to a healthy growth in Revenue. The merger of ABCIL also contributed to the growth.

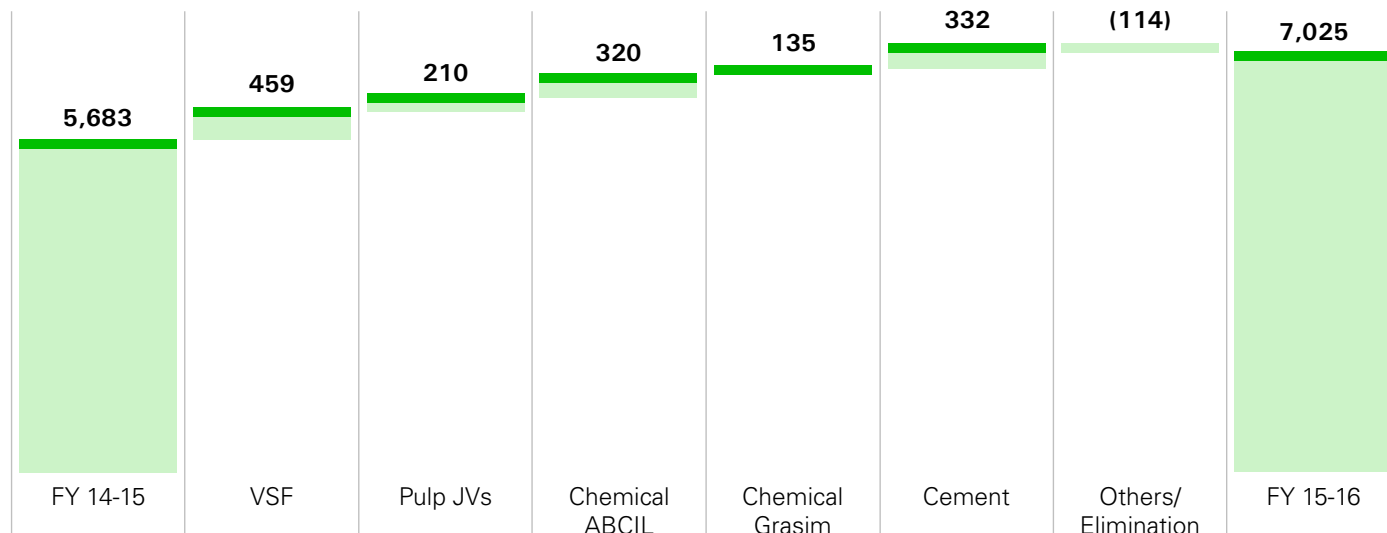


Other Income

Other Income declined by 38% at ₹ 336 Crore given lower redemption of investments in debt mutual funds in line with the Company's cash flow requirements.

Operating Profit (EBITDA)

EBITDA recorded an impressive growth of 24% at ₹ 7,025 Crore as against ₹ 5,683 Crore with the contribution from all the three businesses, as explained earlier.



Finance Cost

Finance cost stood at ₹ 751 Crore compared to ₹ 667 Crore. Your Company took over the borrowings of ABCIL on its merger. The interest paid on borrowings to finance projects in VSF and Cement Business was capitalised, amounting to ₹ 72 Crore. Despite the increase in borrowings, interest cover at 8 times is at comfortable level.

Depreciation

Vilayat project was commissioned in phases in FY 14-15. As a result, depreciation for the full year has been charged during the year. Further, the acquisition of ABCIL, commissioning of cement grinding plants in Cement and capitalisation of various modernisation/upgradation resulted in gross fixed assets increasing from ₹ 42,822 Crore on 31st March, 2015 to ₹ 48,618 Crore on 31st March, 2016. Consequently, depreciation rose by 22% to ₹ 1,911 Crore.

Tax Expenses

Tax expenses are up by 19% from ₹ 1,016 Crore to ₹ 1,211 Crore primarily on account of higher profits and lower MAT credit.

Exceptional Item

Your Company holds 40% stake in Birla Lao Pulp & Plantations Company Ltd. (BLPP), which is a joint venture. Your Company has further provided ₹ 28 Crore (₹ 9 Crore during the previous year), towards diminution, other than temporary, in the value of the said investment being the excess of the cost over the estimated enterprise value. It has been disclosed as Exceptional Item.

Profit for the Year

Consolidated Net profit for the year was up by 35% at ₹ 2,359 Crore compared to ₹ 1,744 Crore in the last year.

Standalone Financial Performance

₹ in Crores

	FY 15-16	FY 14-15	% Change
Revenue from Operations (Net)	8,980	6,333	42
Earnings Before Interest, Depreciation and Tax	1,860	1,013	84
Profit for the Year (Before Exceptional Item)	982	556	77
Exceptional Item: Diminution in Value of Investment in BLPP	(29)	(26)	
Profit for the Year (After Exceptional Item)	953	530	80

The reported results for the year are not comparable as this year's numbers include results of ABCIL, which was merged in Grasim, w.e.f. 1st April, 2015. Standalone EBITDA grew by 84% from ₹ 1,013 Crore to ₹ 1,860 Crore. Profit for the year (before exceptional item) was ₹ 982 Crore as against ₹ 556 Crore last year.

CASH FLOW ANALYSIS (Standalone)

₹ in Crores

	FY 15-16
Sources of Cash	
Cash from Operations	1,305
Dividend and Interest Income	207
Proceeds from Equity (Issue of Shares under ESOS)	5
Decrease in Working Capital	24
Decrease in Cash and Cash Equivalent	21
	1,562
Uses of Cash	
Capital Expenditure (Net)	596
Repayment of Borrowings (Net)	327
Increase in Investments (Net)	298
Interest	158
Dividend	183
	1,562

Sources of Cash

Cash from Operations

Cash generated from operations excluding working capital changes was ₹ 1,305 Crore.

Dividend and Interest Income

Dividend of ₹ 179 Crore and interest income to the tune of ₹ 28 Crore was received.

Decrease in Working Capital

Trade receivables increased by ₹ 178 Crore due to the merger of ABCIL and ramp up of Epoxy and Chlor Alkali operations at Vilayat. There was a reduction in loan and advances with decrease in Cenvat/Vat receivables. Overall, working capital declined by ₹ 24 Crore, despite the large increase in volume and revenue of both VSF and Chemical business.

Uses of Cash

Capital Expenditure

Fixed assets of ₹ 206 Crore were added with the

acquisition of the Ganjam plant in Odisha. The balance capex was incurred mainly on various modernisation and upgradation schemes at various plants besides debottlenecking in Chemical business.

Net Increase in Debt

Long-Term loans amounting to ₹ 166 Crore under TUF Scheme and Sales Tax loan of ₹ 18 Crore pertaining to Grasim were repaid. Term loans transferred on amalgamation of ABCIL amounting to ₹ 791 Crore were repaid during the year. Short -Term borrowings increased by ₹ 631 Crore.

Increase in Investments (Net)

Surplus cash was invested in various schemes of debt mutual funds to the tune of ₹ 345 Crore (Net). There was net cash inflow of ₹ 45 Crore from maturity of Inter-Corporate deposits, sale of long-term investments, etc.

Dividend

A dividend of ₹ 18 per share amounting to ₹ 183 Crore was paid for FY 2014-15.

RISK MANAGEMENT

Risk Management is an important business aspect in current economic environment. The objective of Risk Management System is to identify, monitor and take mitigation measures on a timely basis, in respect of the events that may pose risks for the businesses.

Your Company has Risk Management Committees at each business unit and Corporate Office for effective identification and monitoring of risks and implementation of mitigation plans. Risk Management Committee of the Board reviews the identified risks and mitigation plans from time to time.

Your Company has identified the following risks:

Key Risk	Impact on Grasim	Mitigation Plans
Sectoral Demand-Supply Mismatch Risk and Commodity Price Volatility Risk	<p>Volatility in prices of raw materials, energy inputs and finished goods may adversely impact profitability.</p> <p>Overcapacity in the sector, in which the Company operates, may result into lower capacity utilisation impacting profitability.</p>	<ul style="list-style-type: none"> • Backward integration in the VSF business by setting up captive caustic soda and pulp plants. • Setting up captive power plants in all businesses. • Multi-fuel capable kilns/power plants in Cement business to optimise fuel mix and setting up Waste Heat Recovery System to reduce dependence on coal. • Increasing share of value added products, e.g., specialty fibre in VSF, Chlorine derivatives in Chemical business, wall care putty in white cement, etc. • Maintaining cost competitiveness through regular efficiency improvement.
Availability of Natural Resource-based Inputs	<p>Non-availability of quality coal at economic prices may lead to higher cost.</p> <p>Non-availability of limestone may impact the growth plans of Cement business in long term. Under the new Mines and Mineral (Development and Regulation) Amendment Act, 2015, new mining leases will be granted through the process of auction/bidding which will lead to higher limestone and other input costs.</p>	<ul style="list-style-type: none"> • Government taking various measures, viz., auctioning of coal mines to private players, removing bottlenecks at Coal India and soft demand for coal globally to improve supply of coal. • Entering into long-term contracts, securing coal supplies at competitive prices. • Higher share of petcoke/alternative fuels in cement business. • Sufficient limestone reserves available at existing facilities. • Continuous efforts for securing additional limestone reserves for existing as well as future expansion.
Uncertain Global Economic Environment – Slow down in the Global Economy	Impact on demand and realisation of VSF.	<ul style="list-style-type: none"> • Diversification of sales across geographies. • Diversification of product offerings by introducing high-end specialty products like Modal and Excel fibre.

Key Risk	Impact on Grasim	Mitigation Plans
Interest Rate Risk	Any increase in interest rate can affect the finance cost.	<ul style="list-style-type: none"> Judicious use of fixed and floating interest rate debts. Continuous monitoring of interest rate trends. Use of interest rate swaps in case of forex borrowings.
Foreign Exchange Risk	Your Company exports VSF to a number of textile manufacturing countries. Pulp in VSF and coal in Cement constitute a major portion of imports. Volatility in the currency exchange rates can impact profitability.	<ul style="list-style-type: none"> Hedge long-term and short-term foreign exchange exposure in line with the policy of your Company. The long-term foreign exchange liability is fully hedged on held to maturity basis. Differential net short-term exposure (exports and imports) is suitably hedged.
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"> Continuous benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. Regular review, monitoring and engagement on personal development plans of high performers and high potential employees.
Competition Risk	With no barriers for the entry of new players, your Company is always exposed to competition risk. More competition can create pressure on margins, market share, etc.	<ul style="list-style-type: none"> Continuous efforts to enhance the brand image of your Company by focusing on R&D, quality, cost, timely delivery and customer service. Customer connect initiatives to reach out to end users (such as Liva brand for VSF)
Environmental and other Regulatory Risks	Any default can attract penal provisions.	<ul style="list-style-type: none"> Adherence to current norms is being ensured Technology/equipment upgradation is being planned pro-actively. Continuous monitoring of regulatory changes to ensure compliance with all applicable statutes and regulations.
Industrial Safety, Employee Health and Safety Risk	Both the VSF and Cement industry are labour intensive and are exposed to health and injury risk due to machinery break-down, human negligence, etc. Chemical business has exposure to risks arising from producing and handling of hazardous chemicals.	<ul style="list-style-type: none"> Association with M/s. DuPont Safety Resources to strengthen your Company's Safety Management System in Chemicals and Cement Businesses. Development and implementation of critical safety standards across the Units and Project sites, establishing processes for training need identification at each level of employee, introduction of 'Life Saving Rules'. Continuous focus on building of safety culture across units covering entire workforce. Adequate Insurance Coverage.

INTERNAL CONTROL SYSTEM

Your Company has 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 of the same. 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.

CONCLUSION

In the VSF Business, your Company will continue to focus on expanding VSF market in India by partnering with the textile value chain and better customer connect through Brand Liva. Enhancing product mix through larger share of specialty fibre will be yet another focus area.

In the Chemical Business, the Company will benefit from additional volumes from capacity additions.

In Cement, UltraTech is well positioned across the country to cater to the growth in demand with a vast network of manufacturing units, split grinding units, bulk terminals and large dealership network spanning across the country.

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, made in recent years.

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.

Mumbai, 11th August, 2016

GRASIM'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

Your Company is in compliance with the requirements stipulated under the provisions of Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges ("Listing Regulations") with regards to corporate governance.

BOARD OF DIRECTORS

A. Composition of Board of Directors (the Board)

As on date, your Company's Board comprises of 14 Directors, (12 as on 31st March, 2016), of which 7 are Independent Directors, 1 is a Nominee Director, 4 are Non-Executive Directors, and 2 are Executive Directors. All Independent Directors are free from any business or other relationship that could materially influence their judgement. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (the Act), and the Listing Regulations. The Directors are professionals and have expertise in their respective functional areas.

The details of the Directors of the Company are as under:

Name of the Director	Executive/ Non-Executive/ Independent ¹	No. of Equity Shares Held	Directorships in other Companies ²	Membership of Committees of other Companies ³	
				Member	Chairman
Mr. Kumar Mangalam Birla	Non-Executive	23,915 ⁴	8	-	-
Mrs. Rajashree Birla	Non-Executive	72,280	7	-	-
Mr. M. L. Apte	Independent	130	6	2	1
Mr. B. V. Bhargava	Independent	357	6	1	4
Mr. R. C. Bhargava	Independent	227	7	2	4
Dr. Thomas Martin Connelly Jr.	Independent	-	-	-	-
Mr. Cyril Shroff	Independent	137	-	-	-
Mr. O. P. Rungta	Independent	127	-	-	-
Mr. Arun Kannan Thiagarajan ⁵	Independent	295	5	4	2
Mr. Shailendra K. Jain	Non-Executive	12,999	3	1	-
Mr. N. Mohan Raj (Representing Equity Interest of LIC)	Nominee Director	100	-	-	-
Mr. K. K. Maheshwari ⁶	Non-Executive	5,797	1	-	-
Mr. Sushil Agarwal ⁷	Whole-Time Director	78	3	2	-
Mr. Dilip Gaur ⁸	Managing Director	-	-	-	-

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

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

³ includes only Audit Committee and Stakeholders' Relationship Committee.

⁴ including the Equity Shares held by HUF.

⁵ appointed as an Additional Independent Director, w.e.f. 7th May, 2016.

⁶ ceased to be the Managing Director of the Company, w.e.f. the close of business hours on 31st March, 2016, and was appointed as an Additional Director of the Company, w.e.f. 1st April, 2016.

⁷ appointed as a Whole-time Director and CFO of the Company for a period of five years, w.e.f. 1st July, 2015.

⁸ appointed as an Additional Director and Managing Director of the Company, for a period of five years, w.e.f. 1st April, 2016.

B. Role of Board of Directors

Your Company's Board of Directors plays a primary role in ensuring good governance, in smooth functioning of the Company and in the creation of shareholder value. The Board's role, functions, responsibility and accountability are clearly defined. As the Board's primary role is fiduciary in nature, it is responsible for ensuring that the Company runs on sound ethical business practices and that the resources of the Company are utilised in a manner so as to create sustainable growth and value for the Company's shareholders and the other stakeholders, and also to fulfil the aspirations of the society and the communities in which it operates. The Board has complete access to any information within your Company. As a part of its function, your Board periodically reviews all the relevant information, which is required to be placed before it, pursuant to the Listing Regulations and, in particular,

reviews and approves financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. Your Board monitors the Company's overall performance, directs and guides the activities of the Management towards the set of goals and seeks accountability. Your Board also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with the laws and regulations.

C. Board Meetings

During the year under review, the Board met 6 times on 2nd May, 2015, 7th August, 2015, 29th October, 2015, 18th December, 2015, 4th January, 2016, and 30th January, 2016. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

Details of attendance of Directors at the Board Meetings and last Annual General Meeting (AGM) held during the FY 2015-16 are as under:

Name of the Director	Executive/ Non-Executive/ Independent	Number of Board Meetings Attended	Attended Last AGM Held on 19th September, 2015
Mr. Kumar Mangalam Birla	Non-Executive	5	No
Mrs. Rajashree Birla	Non-Executive	1	No
Mr. M. L. Apte	Independent	6	Yes
Mr. B. V. Bhargava	Independent	6	Yes
Mr. R. C. Bhargava	Independent	6	No
Dr. Thomas Martin Connelly Jr.	Independent	6	No
Mr. Cyril Shroff	Independent	1	No
Mr. O. P. Rungta	Independent	6	No
Mr. Arun Kannan Thiagarajan	Independent	NA	NA
Mr. Shailendra K. Jain	Non-Executive	5	Yes
Mr. N. Mohan Raj (Representing Equity Interest of LIC)	Nominee Director	6	Yes
Mr. K. K. Maheshwari	Non-Executive	6	Yes
Mr. Sushil Agarwal	Whole-time Director	5	Yes
Mr. Dilip Gaur	Managing Director	NA	NA

D. Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 2nd May, 2015, without the presence of Non-Independent Directors and members of the management, to discuss the matters as required under Schedule IV of the Act and the Listing Regulations. The meeting was attended by all the Independent Directors.

Management Personnel of your Company, which is available on the Company's website, www.grasim.com.

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

E. Code of Conduct

The Board of Directors has laid down a Code of Conduct ("the Code") for all Board Members and Senior

F. Training, Induction and Familiarisation Programme

Letters of appointment, stipulating the terms of appointment, role, rights and responsibilities, are issued to the Independent Directors at the time of their appointment. Your Company conducts introductory

familiarisation programme, *inter alia* covering the nature of the industry in which the Company operates, business model of the Company, etc., when a new Independent Director joins the Board of the Company.

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

The details of familiarisation programme, imparted to the Independent Directors during the FY 2015-16, have been disclosed on the Company's website, www.grasim.com.

G. Performance Evaluation

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

H. Prevention of Insider Trading

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, your Company has formulated and adopted the Code of Conduct for Trading in Listed or Proposed to be Listed Securities

of the Company (the Insider Trading Code). The main object of the Insider Trading Code is to communicate to all concerned a guideline, which they should imbibe and practice, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company.

COMMITTEES OF THE BOARD

During the FY 2015-16, the Company had 7 Committees of the Board of Directors, viz., the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Finance Committee and the Chemical Merger Committee. The terms of reference of the Board Committees are determined by the Board, from time to time. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

A. Audit Committee

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

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

Composition and Attendance during the Year

The Audit Committee comprises of four Non-Executive – Independent Directors who are financially literate and have accounting or related financial management expertise. The composition of the Audit Committee complies with the requirements of the Act and the Listing Regulations.

During the year under review, 8 Audit Committee Meetings were held, on 2nd May, 2015, 26th June, 2015, 7th August, 2015, 24th September, 2015, 29th October, 2015, 14th December, 2015, 18th December, 2015, and 30th January, 2016.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava, Chairman	Non-Executive – Independent	8	8
Mr. R. C. Bhargava	Non-Executive – Independent	8	8
Mr. M. L. Apte	Non-Executive – Independent	8	8
Mr. Arun Kannan Thiagarajan*	Non-Executive – Independent	Not Applicable	

* Appointed as member, w.e.f. 11th August, 2015

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

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

The Chairman of the Audit Committee was present at the last AGM of the Company held on 19th September, 2015.

Brief Description of Terms of Reference

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section (3) of Section 134 of the Act;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgement by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with the listing and other legal requirements relating to the financial statements;
 - (f) disclosure of any related party transactions; and
 - (g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate; and

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

The Audit Committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by the management;
- (3) management letters/letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses;
- (5) the appointment, removal and terms of remuneration of the chief internal auditor; and
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations;
 - (b) annual statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulations.

Vigil Mechanism

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

B. Nomination and Remuneration Committee

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

Composition, Meetings, Attendance during the Year

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

During the year under review, 3 NRC Meetings were held, on 2nd May, 2015, 29th October, 2015 and 18th December, 2015.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. M. L. Apte – Chairman	Non-Executive – Independent	3	3
Mr. Cyril Shroff	Non-Executive – Independent	3	2
Mr. Kumar Mangalam Birla	Non-Executive	3	3

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

Mr. M. L. Apte, the Chairman of the NRC, was present at the last AGM of the Company, held on 19th September, 2015.

Brief Description of Terms of Reference

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of the board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- (6) ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and senior management of the quality required to run the Company successfully;
- (7) ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (8) ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentives pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- (9) review and implement succession plans for Managing Director, Executive Directors and Senior Management.

Remuneration Policy

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

Remuneration of Directors

All decisions relating to the remuneration of the Directors were taken by the Board of Directors of the Company

in accordance with the Shareholders' approval on recommendation of Nomination and Remuneration Committee, wherever necessary.

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

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

In addition to the payment of sitting fees, the Company also pays commission to the Non-Executive/Independent Directors of the Company. The amount of the commission payable to the Non-Executive/Independent Directors is determined after assigning weightage to various factors, which *inter alia* include, providing strategic perspective, Chairmanship and contributions made by the Directors other than in meetings, type of the meeting and responsibilities under various statutes, etc. For the financial year 2015-16, the Board has approved payment of ₹ 7.50 Crore as commission to the Non-Executive/Independent Directors.

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

(₹ in Lakhs)

Name of the Director	Commission ¹	Sitting Fees (for Board and its Committees)
Mr. Kumar Mangalam Birla	623.00	3.10
Mrs. Rajashree Birla	41.00	0.90
Mr. M. L. Apte	16.00	7.20
Mr. B. V. Bhargava	20.00	7.00
Mr. R. C. Bhargava	15.00	5.20
Mr. Cyril Shroff	6.00	0.90
Mr. N. Mohan Raj	5.00 ²	3.00
Dr. Thomas M. Connelly Jr.	5.00	3.00
Mr. O. P. Rungta	5.00	3.00
Mr. Shailendra K. Jain	14.00	2.90
Mr. K. K. Maheshwari ³	Nil	Nil
Mr. Adesh Kumar Gupta ⁴	Nil	Nil
Mr. Sushil Agarwal ⁵	Nil	Nil
Total	750.00	36.20

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

² Commission is payable to LIC, and Sitting Fee is paid to Mr. N. Mohan Raj.

³ Mr. K. K. Maheshwari ceased to be the Managing Director of the Company, w.e.f. the close of business hours on 31st March, 2016.

⁴ Mr. Adesh Kumar Gupta ceased to be the Whole-time Director and CFO of the Company, w.e.f. the close of business hours on 30th June, 2015.

⁵ Mr. Sushil Agarwal was appointed as the Whole-time Director and CFO of the Company, w.e.f. 1st July, 2015, for a period of 5 years.

Notes:

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

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

(₹ in Lakhs)

Executive Directors	Salary, Benefits, Bonus, Pension, etc., Paid during the Year	Performance-linked Incentive Paid during the Year *	Service Contract, Notice Period and Severance Fees **	Stock Option Details, if any
Mr. K. K. Maheshwari (Managing Director)	631.99	305.54	-	-
Mr. Adesh Kumar Gupta (Whole-time Director and CFO) upto 30.06.2015	350.63	76.80	-	-
Mr. Sushil Agarwal (Whole-time Director and CFO) w.e.f. 01.07.2015	149.90	-	-	#

* The Board has approved payment of performance -linked variable pay for the FY 2014-15 as aforesaid to the Managing Director and Whole T-time Director on achievement of the targets.

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

In terms of the Company's Employees Stock Options Scheme-2013, 24,350 Stock Options and 3,333 Restricted Stock Units (RSUs) have been granted to Mr. Sushil Agarwal.

Employee Stock Options Scheme**a. ESOS-2006**

During the year under review, the Nomination and Remuneration Committee (NRC) of the Board of Directors vested 3,836 Stock Options to the eligible employees, subject to the provisions of the ESOS-2006, statutory provisions, as may be applicable from time to time, and the rules and procedures set out by your Company in this regard. Further, the Stakeholders' Relationship Committee of the Board of Directors allotted 30,231 Equity Shares of ₹ 10/- of your Company to Options Grantees pursuant to the exercise of the Stock Options under ESOS-2006.

entitles the holder to apply for and to be allotted one equity share of ₹ 10/- each of the Company upon payment of the exercise price during the exercisable period. The exercisable period commences from the date of vesting of the options and expires at the end of 5 years from the date of such vesting.

b. ESOS-2013

During the year under review, the Company granted 24,350 Stock Options and 3,333 Restricted Stock Units (RSUs) to the eligible employees, including executive director of the Company. Each option

During the year under review, the Nomination and Remuneration Committee (NRC) of the Board of Directors vested 33,384 Stock Options to the eligible employees, subject to the provisions of the ESOS-2013, statutory provisions, as may be applicable from time to time, and the rules and procedures set out by your Company in this regard. Further, the Stakeholders' Relationship Committee of the Board of Directors allotted 2,033 Equity Shares of ₹ 10/- of your Company to Options Grantees pursuant to the exercise of the Stock Options under ESOS-2013.

C. Stakeholders' Relationship Committee

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

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava – Chairman	Non-Executive – Independent	2	2
Mr. Cyril Shroff	Non-Executive – Independent	2	0
Mr. M. L. Apte	Non-Executive – Independent	2	2
Mr. Adesh Kumar Gupta*	Whole-time Director and CFO	2	NA
Mr. Sushil Agarwal**	Whole-time Director and CFO	2	1

* Ceased to be a Member, w.e.f. the close of business hours on 30th June, 2015.

** 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.

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

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

Role

The Committee looks into:

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

Composition, Meeting and Attendance during the Year

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

During the year under review, 2 Stakeholders' Relationship Committee Meetings were held, on 22nd July, 2015 and 21st January, 2016.

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

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

D. Corporate Social Responsibility Committee (CSR Committee)

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

Composition and Attendance during the Year

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

During the year under review, 2 CSR Committee meetings were held, on 2nd May, 2015 and 6th February, 2016.

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

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

* Ceased to be a Member, w.e.f. the close of the business hours on 31st March, 2016.

** Appointed as a Member, w.e.f. 1st April, 2016.

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

E. Risk Management Committee

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

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

During the year under review, the Risk Management Committee meeting was held on 24th September, 2015.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava	Non-Executive – Independent	1	1
Mr. R. C. Bhargava	Non-Executive – Independent	1	1
Mr. M. L. Apte	Non-Executive – Independent	1	1
Mr. Arun Kannan Thiagarajan ¹	Non-Executive – Independent	Not Applicable	
Mr. Dilip Gaur ²	Managing Director	Not Applicable	
Mr. K. K. Maheshwari ³	Managing Director	1	1
Mr. Sushil Agarwal ⁴	Whole-time Director and CFO	1	1
Mr. H. K. Agarwal ⁴	COO – Fibre	1	0
Mr. K. C. Jhanwar ⁴	Group Executive President – Chemical	1	0
Mr. Thomas Varghese ⁴	Business Head – Textiles	1	0

¹ Appointed as Member w.e.f. 11th August 2016.

² Appointed as a Member, w.e.f. 1st April, 2016.

³ Ceased to be a Member, w.e.f. the close of business hours on 31st March, 2016.

⁴ Appointed as Members, w.e.f. 7th August, 2015.

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

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 authorise officers of the Company in the matter of availment of secured and unsecured loans;

F. Finance Committee

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

- To approve opening and operation of Bank Accounts;
- To approve execution of Power of Attorneys, and other agreements and documents; and
- To approve signing of agreements with the regulatory authorities, and to authorise officers of the Company for performing acts required under various laws.

Composition and Attendance during the Year

Your Company has a Finance Committee of the Board of Directors, to facilitate the operations of the Company, which comprises of 2 Non-Executive – Independent Directors and 1 Executive Director.

During the year under review, 4 Finance Committee meetings were held, on 23rd April, 2015, 22nd July, 2015, 20th October, 2015 and 21st January, 2016.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava – Chairman	Non-Executive – Independent	4	4
Mr. M. L. Apte	Non-Executive – Independent	4	4
Mr. Adesh Kumar Gupta*	Whole-time Director and CFO	4	1
Mr. Sushil Agarwal**	Whole-time Director and CFO	4	2

* Ceased to be a Member, w.e.f. the close of business hours on 30th June, 2015.

**Appointed as a Member, w.e.f. 7th August, 2015.

G. Chemical Merger Committee

Your Company has a Chemical Merger Committee of the Board of Directors to facilitate the process of merger of erstwhile Aditya Birla Chemicals (India) Limited.

This Committee comprises of 2 Non-Executive – Independent Directors and 1 Non-Executive Director. During the year under review, the Chemical Merger Committee meeting was held on 4th January, 2016.

The composition of Chemical Merger Committee and the details of the meeting 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	1	1
Mr. M. L. Apte	Non-Executive – Independent	1	1
Mr. K. K. Maheshwari*	Non-Executive Director	1	0

* Ceased to be a member, w.e.f. the close of business hours on 31st March, 2016.

SUBSIDIARY COMPANIES

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

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

GENERAL BODY MEETINGS

Details of the 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
2012-13 66th AGM	Birlagram, Nagda - 456 331 Madhya Pradesh	17th August, 2013 11.30 a.m.	<ul style="list-style-type: none"> Introduction and implementation of the "Grasim Industries Limited Employee Stock Option Scheme-2013" Extending of the benefits and coverage of the "Grasim Industries 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
2013-14 67th AGM		6th September, 2014 11.30 a.m.	<ul style="list-style-type: none"> Re-appointment and remuneration of Mr. Adesh Kumar Gupta as Whole-time Director and Chief Financial Officer of the Company Borrowing powers under Section 180(1)(c) of the Companies Act, 2013 Creation of mortgage, charge(s), etc., under Section 180(1)(a) of the Companies Act, 2013 Adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013
2014-15 68th AGM		19th September, 2015 11.30 a.m.	<ul style="list-style-type: none"> Approval for issue of Non-Convertible Debentures on private placement basis Approval for maintaining registers of members, debenture holders and other security holders and related registers/ records at a place other than the Registered Office of the Company
2015-16 Court Convened Meeting		10th June 2015 11.30 a.m.	<ul style="list-style-type: none"> Resolution passed for amalgamation of Aditya Birla Chemicals (India) Ltd. with Grasim Industries Limited

Postal Ballot & E-Voting:

Purpose: To seek approval of the Public Shareholders for the amalgamation of Aditya Birla Chemicals (India) Ltd. with Grasim Industries Limited and their respective shareholders and creditors in accordance with the SEBI Circular Nos. CIR/CFD/ DIL/5/2013 dated February 4, 2013 and CIR/CFD/ DIL/8/2013 dated May 21, 2013.

Postal Ballot and E-Voting Period:

May 8, 2015 to June 6, 2015

Details of Voting: Postal Ballot and E-Voting by Public Shareholders

No. of Shares held by Public Shareholders	No. of valid Votes polled	No. of Votes in favour	No. of Votes against
5,51,16,929	3,32,14,188	3,32,10,686	3,502

Person who conducted the Postal Ballot exercise:

Mr. Ashish Garg, Practising Company Secretary, Indore, was appointed to act as the scrutinizer for conducting the postal ballot and E-voting exercise.

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, and the Group's website, www.adityabirla.com.

- Quarterly results:

Results are normally published in:

Newspaper	Cities of Publication
Business Standard	All Editions
Nai Duniya	Indore

Results are displayed on our websites: www.grasim.com and www.adityabirla.com.

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

DISCLOSURES

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

During the year under review, no materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large, have been entered into. All contracts/arrangements/transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. Attention of the members is drawn to Note 4.5 to the Standalone Financial Statements, forming part of the Annual Report, which set out the related party disclosures. A policy on dealing with related party transactions has been uploaded on the website of the Company, www.grasim.com.

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

The Company has complied with all the provisions of Listing Regulations as well as regulations and guidelines of Securities and Exchange Board of India (SEBI). There have been no instances of non-compliance by the Company on any matters related to capital markets during

the last 3 years and, hence, no penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.

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

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

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

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

- Management Discussion and Analysis Report is forming part of the Annual Report and is in accordance with the requirements laid out in the Listing Regulations.
- Your Company follows all relevant Accounting Standards while preparing the Financial Statements.

(vi) Status of Compliance of Non-Mandatory Requirement

A. The Board

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

B. Shareholder Rights

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

C. Modified Opinion(s) in Audit Report

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

D. Separate Posts of Chairman and Managing Director

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

E. Reporting of Internal Auditors

The Internal Auditors report directly to the Audit Committee.

(vii) Policy on Preservation of Documents

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

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

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

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

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

Pursuant to Regulation 8 in Chapter IV of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, during the year, approved and adopted the "Grasim Code of Practices and Procedures for Fair

Disclosure of Unpublished Price Sensitive Information". The Code has been uploaded on the website of the Company, www.grasim.com.

REPORT ON CORPORATE GOVERNANCE

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

COMPLIANCES

- (i) Your Company confirms the compliances with Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (B to I) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.
- (ii) Certificate from the Statutory Auditors, confirming compliance with all the conditions of Corporate Governance as stipulated in the Listing Regulations, is given as Annexure 'B' to the Board's Report and forms part of the Annual Report.
- (iii) There is a separate section for General Shareholder Information, which forms part of the Annual Report.
- (iv) Name and Designation of Compliance Officer: Mrs. Hutokshi Wadia, President and Company Secretary.
- (v) CEO/CFO Certification:
The Managing Director and the Chief Financial Officer of your Company have issued the necessary certificate pursuant to the provisions of Listing Regulations, and the same is attached to this Report.

Mumbai, 11th August, 2016

CODE OF CONDUCT

DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management for the year ended 31st March, 2016.

Dilip Gaur
Managing Director
DIN: 02071393

Mumbai
7th May, 2016

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, 2016, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in the internal control over financial reporting during the year;
 - (ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Grasim Industries Limited

Dilip Gaur
Managing Director
DIN: 02071393

Sushil Agarwal
Whole-time Director & CFO
DIN: 00060017

Place: Mumbai
Date: 7th May, 2016

1. Annual General Meeting

Date and Time : Friday, 23rd September, 2016 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 Year of the Company : 1st April to 31st March
 For the quarter ending 30th June, 2016 : 11th August, 2016
 For the quarter/half year ending 30th September, 2016 : October/By 14th November, 2016
 For the quarter ending 31st December, 2016 : January/By 14th February, 2017
 For the quarter/year ending 31st March, 2017 : April/May 2017
 70th Annual General Meeting for the year ending 31st March, 2017 : August/September 2017

3. Dates of Book Closure

: Friday, 9th September, 2016 to
 Friday, 23rd September, 2016
 (both days inclusive)

4. Dividend Payment Date

: On or after 26th September, 2016

5. Registered Office

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

6. Website

: www.grasim.com / www.adityabirla.com

7. Corporate Identification Number (CIN)

: L17124MP1947PLC000410

8. Listing details:

(a) Listing on Stock Exchanges:

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

Note: Annual Listing 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:

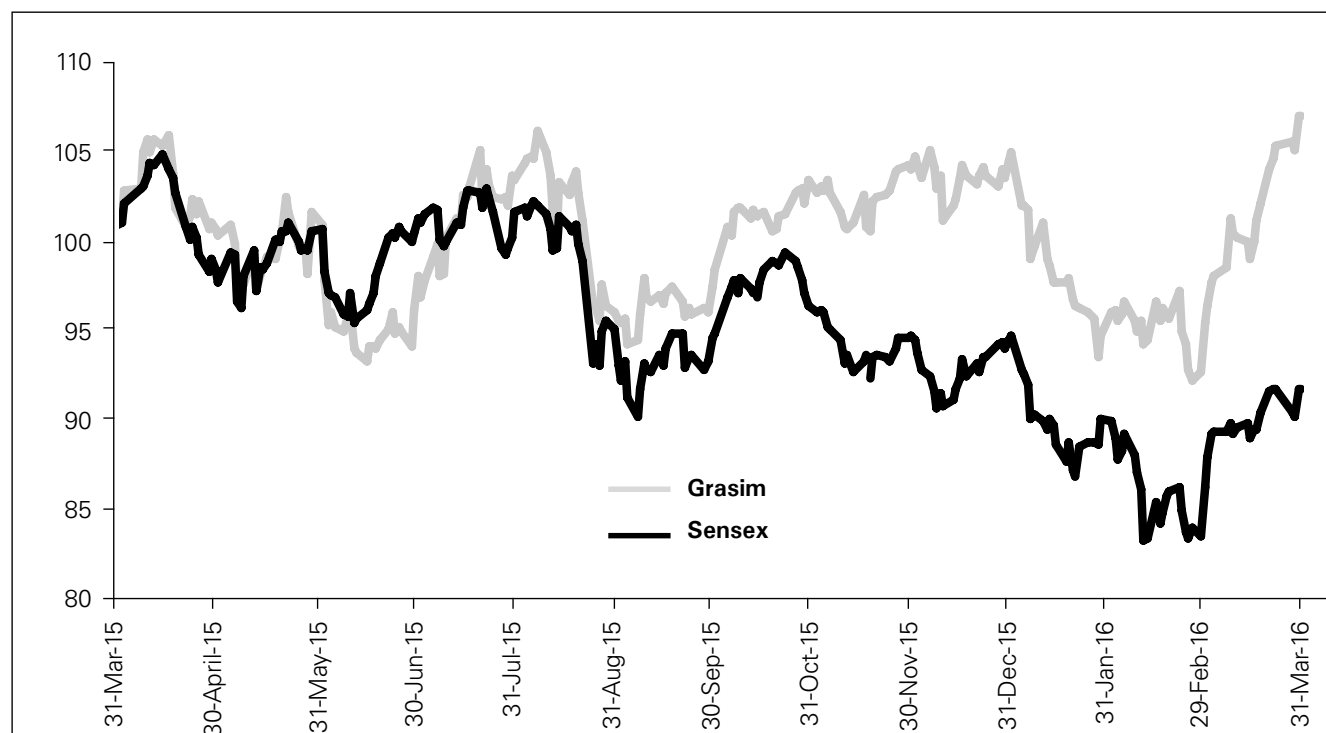
	Stock Code	Reuters	Bloomberg
BSE	500300	GRAS.BO	GRASIM IB
NSE	GRASIM	GRAS.NS	GRASIM IS
LSE	-	GRAS.LU	GRAS LX
ISIN No. of Equity Shares	INE047A01013	-	-
ISIN No. of GDRs	US3887061030 CUSIP No. 388706103	-	-

10. Stock Price Data:

Month	BSE				NSE				LSE		
	High	Low	Close	No. of Shares Traded	High	Low	Close	No. of Shares Traded	High	Low	Close
	(₹)			(Nos.)	(₹)			(Nos.)	(US\$)		
Apr-15	3,827.00	3,535.05	3,597.35	113,036	3,826.90	3,535.05	3,589.30	1,135,519	61.1	56.3	56.6
May-15	3,696.25	3,448.50	3,643.05	201,306	3,698.00	3,443.00	3,640.65	1,258,716	57.9	48.8	57.0
Jun-15	3,673.70	3,304.00	3,441.60	92,523	3,680.00	3,301.00	3,442.45	1,181,423	57.3	49.5	52.8
Jul-15	3,780.00	3,430.00	3,708.65	121,885	3,783.00	3,428.15	3,716.25	1,069,078	59.3	54.6	58.1
Aug-15	3,842.35	3,370.00	3,439.05	158,704	3,842.90	3,362.65	3,446.55	1,655,750	59.8	51.4	51.8
Sep-15	3,548.85	3,328.00	3,492.90	104,071	3,549.00	3,323.20	3,517.85	1,104,685	53.9	50.4	53.9
Oct-15	3,770.00	3,504.05	3,709.70	60,489	3,759.00	3,501.50	3,712.05	865,493	57.4	53.9	56.4
Nov-15	3,754.35	3,562.70	3,739.70	59,593	3,752.00	3,555.75	3,741.70	798,582	56.5	54.2	56.1
Dec-15	3,787.20	3,596.00	3,747.25	51,249	3,790.00	3,586.20	3,754.85	905,857	56.7	53.9	56.6
Jan-16	3,789.60	3,325.00	3,389.05	112,456	3,790.10	3,321.05	3,393.65	1,307,911	55.4	46.6	49.7
Feb-16	3,578.55	3,242.05	3,317.00	119,040	3,569.95	3,233.00	3,327.65	1,267,393	51.4	47.8	48.8
Mar-16	3,865.00	3,303.50	3,841.35	271,395	3,863.80	3,311.00	3,844.15	1,708,959	58.2	48.0	58.0

11. Stock Performance:

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



12. Stock Performance and Returns:

Absolute Returns

(In Percentage)	1 Year	3 Years	5 Years
GRASIM	6.12%	36.64%	56.46%
BSE Sensex	-9.36%	34.54%	30.32%
NSE Nifty	-8.86%	36.18%	32.65%

Annualised Returns

(In Percentage)	1 Year	3 Years	5 Years
GRASIM	6.12%	10.97%	9.37%
BSE Sensex	-9.36%	10.40%	5.44%
NSE Nifty	-8.86%	10.84%	5.81%

13. Registrar and Transfer Agents

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

: **Karvy Computershare Pvt. Ltd.**

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

14. Share Transfer System:

95.17% 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 at the office of Karvy Computershare Pvt. Ltd., the Registrar and Transfer Agent (RTA) of the Company.

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

Details of Share Transfer during the Financial Year 2015-16				
Transfer Period (in Days)	No. of Transfers	No. of Shares	%	Cumulative Total %
1 – 5	132	5,089	30.35	30.35
6 – 15	240	11,678	69.65	100.00
Total	372	16,767	100.00	100.00

As on 31st March, 2016, no transfer of share was pending.

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

15. Investor Services:

Complaints received during the year ended 31st March, 2016:

Nature of Complaints (relating to)	2015-16	
	Received	Cleared
Opening Pending Complaints	-	-
Transfer, Transmission, Duplicate Shares , Change of Address, etc.	11	11
Annual Report	3	3
Dividend	5	5
TOTAL	19	19

16. Distribution of Shareholding as on 31st March, 2016:

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% Shareholding
1 - 100	121,762	87.19	3,282,447	3.52
101 - 200	9,366	6.71	1,354,581	1.45
201 - 500	5,623	4.03	1,763,481	1.89
501 - 1000	1,567	1.12	1,098,295	1.18
1001 - 5000	944	0.68	1,851,317	1.98
5001 - 10000	96	0.07	672,865	0.72
10001 and above	301	0.21	83,323,120	89.26
Total	139,659	100.00	93,346,106	100.00

17. Categories of Shareholding as on 31st March, 2016:

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% Shareholding
Promoters and Promoter Group*	28	0.02	29,054,895	31.13
UTI and Mutual Funds	211	0.15	8,277,418	8.87
Banks, Financial Institutions and Insurance Companies	180	0.13	7,742,835	8.29
FII's	219	0.16	21,309,470	22.83
GDRs*	2	0.00	7,652,268	8.20
NRIs/OCBs	4,214	3.02	3,212,802	3.44
Bodies Corporate	1,511	1.08	7,080,329	7.59
Individuals	133,294	95.44	9,016,089	9.66
Total	139,659	100.00	93,346,106	100.00

*Includes 4,802,304 GDRs held by Promoters/Promoter Group.

18. Dematerialisation of Shares and Liquidity:

95.17% of the outstanding Equity (including 13.45% of capital in the form of Global Depository Receipts) have been dematerialised as on 31st March, 2016. Trading in the shares of your Company is permitted only in dematerialised form. The Equity Shares of the Company are available for trading in the dematerialised form under both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

• Held in Dematerialised mode in NSDL	:	93.73%
• Held in Dematerialised mode in CDSL	:	1.44%
Total		95.17%

- 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/ADRs/Warrants and outstanding Convertible Bonds** : 12,454,572 GDRs (Previous Year 13,288,776) as on 31st March, 2016. Each GDR represents one underlying equity share. There are no ADRs, warrants/convertible bonds outstanding as at the year end.
- 21. Commodity price risk or foreign exchange risk and hedging activities** : Your Company hedge its foreign currency exposure in respect of its imports, borrowings and export receivables as per its laid down policies. Your Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps or a mix of all. Further, your Company also hedges its commodity price risk through fixed price swaps.

22. Secretarial Audit:

- (a) Pursuant to the Clause 47(c) of the Listing Agreement with the Stock Exchanges (applicable up to 30th September, 2015) and Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable from 1st October, 2015), certificates have been issued, on a half-yearly basis, by a Practising Company Secretary, certifying due compliance of share transfer formalities by the Company.
- (b) A Company Secretary in Practice carries out quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in demat form (held with NSDL and CDSL). The said certificate is submitted quarterly to Stock Exchanges, NSDL and CDSL, and is also placed before the Board of Directors.
- (c) Pursuant to Section 204 of the Companies Act, 2013, M/s. BNP & Associates, Practising Company Secretaries, have conducted a Secretarial Audit of the Company for the financial year 2015-16. 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 2016-17.

23. Corporate Office and Plant Locations:
Corporate Office:

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

Plant Locations:
Fibre and Pulp Plants:

Name	Address	Phone Nos.	Fax Nos.
Staple Fibre Division	Birlagram, Nagda – 456 331 Madhya Pradesh	(07366) 246760-66	(07366) 244114, 246024
Harihar Polyfibres & Grasilene Divisions	Harihar, Kumarapatnam – 581 123 District: Haveri Karnataka	(08373) 242171-75	(08373) 242875, (08192) 247555
Birla Cellulosic Division	Birladham, Kharach Kosamba – 394 120 District: Bharuch, Gujarat	(02646) 270001-05	(02646) 270010, 270310

Name	Address	Phone Nos.	Fax Nos.
Grasim Cellulosic Division	Plot No. 1, GIDC Vilayat Industrial Estate P. O. Vilayat – 392 012 Taluka: Vagra, District: Bharuch Gujarat	(02642) 291214	-
Chemical Plants:			
Grasim Chemical Division	Birlagram, Nagda – 456 331 Madhya Pradesh	(07366) 246760-66	(07366) 246176, 245845, 246097
Grasim Chemical Division	Plot No. 1, GIDC Vilayat Industrial Estate P. O. Vilayat – 392 012 Taluka: Vagra, District: Bharuch Gujarat	08347008059	-
Grasim Chemical Division	Garhwa Road P. O. Rehla – 822 124 District: Palamau Jharkhand	(06584) 262221, 262211	(06584) 221205
Grasim Chemical Division	P. O. Binaga – 581 307 Karwar District: Uttara Kannada Karnataka	(08382) 230514, 230174 and 230178	(08382) 230468
Grasim Chemical Division	P. O. Renukoot – 231 217 District: Sonbhadra Uttar Pradesh	(05446) 252044, 252055, 252075	(05446) 253378
Grasim Chemical Division	P. O. Jayshree – 761 025 District: Ganjam Odisha	(06811) 254319, 254336	(06811) 254384
Epoxy Plant:			
Grasim Epoxy Division	Plot No. 1, GIDC Vilayat Industrial Estate P. O. Vilayat – 392 012 Taluka: Vagra, District: Bharuch Gujarat	(02641) 273206	-
Textile Plant:			
Vikram Woollens	GH I to IV, Ghironghi Malanpur – 477 117 District: Bhind Madhya Pradesh	(07539) 283602-03	(07539) 283339

24. Address for Correspondence:

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

25. Corporate Benefits to Investors:

Dividend Declared during/for the last 10 years:		
Financial Year	Date of Declaration	Dividend Per Share (₹)
2005-06	25.08.2006	20.00
2006-07	12.03.2007 (Interim Dividend)	27.50
2007-08	02.08.2008	30.00
2008-09	08.08.2009	30.00
2009-10	20.08.2010	30.00
2010-11	17.09.2011	20.00
2011-12	07.09.2012	22.50
2012-13	19.08.2013	22.50
2013-14	06.09.2014	21.00
2014-15	19.09.2015	18.00

26. OTHER USEFUL INFORMATION FOR SHAREHOLDERS**PROCESS FOR IMPORTANT INVESTOR SERVICES****Share Transfer/Dematerialisation**

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

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

Shareholders are requested to note that if the physical documents, viz., Dematerialisation Request Form (DRF), Share Certificates, etc., are not received from their concerned 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 or obtained from the Company's RTA by sending a written request through any mode including E-mail on grasim.ris@karvy.com.

Change of Address and Furnishing of Bank Details

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

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

To prevent fraudulent encashment of dividend warrants, Shareholders, who hold shares in physical form, should provide their Bank Account details to the Company's RTA, while those Shareholders who hold shares in dematerialised form should provide their Bank Account details to their 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's 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 an FIR/Complaint with the police and inform to the Company/RTA along with the original or certified copy of FIR/Acknowledged copy of Police Complaint along with a self-attested copy of their PAN card.

Non-Resident Shareholders

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

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

Unclaimed Dividends

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unpaid and unclaimed dividends, remaining unpaid and unclaimed for a period of 7 (seven) years from the date they became due for payment, have been transferred to the General Reserve Account/Investor Education and Protection Fund (IEPF), established by the Central Government. Accordingly, the unpaid and unclaimed dividends upto the year ended 31st March, 2008, have already been transferred to the said Fund. Shareholders, who have so far not encashed the dividend warrant(s) for the year ended 31st March, 2009, or any subsequent years, are requested to make their claim in the prescribed form to the Company's RTA. This form can be downloaded from the Company's website www.grasim.com.

The details of unpaid/unclaimed dividends from 2008-09 onwards, are as under:

Year	Due Date of Transfer of Unpaid/Unclaimed to IEPF	
	Grasim Industries Limited	Erstwhile Aditya Birla Chemicals (India) Limited
2008-09	14th September, 2016	28th July, 2016
2009-10	26th September, 2017	5th September, 2017
2010-11	24th October, 2018	7th September, 2018
2011-12	14th October, 2019	7th September, 2019
2012-13	23rd September, 2020	9th October, 2020
2013-14	13th October, 2021	28th October, 2021
2014-15	26th October, 2022	31st October, 2022

Remittance of Dividends through Electronic Mode

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

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

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

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

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

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

Unclaimed Shares in Physical Form

Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provides the manner of dealing with the shares issued in physical form pursuant to a public

issue or any other issue, and which remains unclaimed with the Company. In compliance with the provisions of the said Clause, the Company has sent three reminders under Registered Post to the shareholders whose share certificates were returned undelivered and are lying unclaimed so far.

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

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

- **Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 1st April, 2015:**

2,976 shareholders holding 77,062 equity shares of the Company.

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

9 shareholders holding 446 equity shares of the Company.

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

9 shareholders holding 446 equity shares of the Company.

- **Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31st March, 2016:**

2,967 shareholders holding 76,616 equity shares of the Company.

The voting rights on the shares in the suspense account as on 31st March, 2016, shall remain frozen till the rightful owners of such shares claim the shares.

Company's Website

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

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

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

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

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

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

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

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

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

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

Link for Green Initiative:

http://www.grasim.com/investors/green_initiative/green_initiative_corporate_governance.aspx

Feedback:

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

At the Aditya Birla Group, we endeavour to become the leading Indian conglomerate for sustainable business practices across our global operations by 2017.

To achieve this vision, we are innovating from the traditional sustainability models to one consistent with our vision to build sustainable businesses capable of operating in the business environment emerging in next 3 decades. It is in our own interests, to contribute to mitigate our impact in every way we can, and also prepare for further mitigation and potential adaption to planetary changes as we go forward.

We began our quest with a question, “If everyone and every business followed the law as written today, is the planet sustainable?” We quickly concluded that around the year 2050, when the Earth’s population reaches an estimated 9 billion, climate change, water scarcity, stress plus pollution and an overload of waste, if left unchecked, would set the planet on a possibly irreversible course to un-sustainability. It is therefore intuitive that laws be tightened over time, and imperative that the Aditya Birla Group remains ahead of the curve.

Our first step has been to set up a sustainability programme in our current operations, under the heading “Responsible Stewardship”. By doing so, we try to move from merely following local laws to aligning ourselves voluntarily with the international standards set by the global bodies of the International Finance Corporation (IFC), the Organisation for Economic Cooperation and Development (OECD), the International Standards Organisation (ISO), Occupational Health and Safety Advisory Services (OHSAS), the Global Reporting Initiative (GRI) and others. We are working hard to develop and improve our management systems and their performance by making sure that they conform to the Aditya Birla Group’s Sustainability Framework of Policies, Technical Standards, and Guidance Notes by giving our employees the chance to train, learn, understand, and apply improvement techniques to reach higher standards of performance. So far, we have had much success with respect to reductions in energy use, water use, and improvements in safety performance. We are working towards achieving the World Business Council for Sustainable Development’s Water and Sanitation and Hygiene (WASH) pledge to ensure that we provide safe drinking water, sanitation and hygiene in all our operations. Each of these achievements helps reduce and mitigate our impact on the planet and are, hence, imperative to building a platform for the future.

However, if we are to create sustainable business models and systems, “Responsible Stewardship” by itself is not enough, and we need other components to help us with a greater transformation. We need to understand how many laws will

need to change in order to support a sustainable world. Our performance will need to be improved further to meet these laws, possibly by redesigning our business models. We call this “Future Proofing” our businesses. This has two components; the first, we call “Strategic Stakeholder Engagement” which involves scanning the time horizon for disruptions by discussing the global megatrends with experts in the fields of climate, water, human rights, supply chain management, biodiversity transparency and reporting, in order to understand what constraints might be placed on our businesses by 2030 and 2050. By doing so, we are able to build our capability to understand which external changes might heavily influence our value chains and business models in the future and what might be expected of our products and brands. For example, the world will need businesses that are able to mitigate and adapt to climate change, with robust and sustainable supply chains that are also impervious to all external forces that will inevitably begin to affect us in the future. The second part of our “Future Proofing” programme is to test our current business models and strategies against various scenarios designed to simulate what the world will potentially look like in 2030 and 2050. Building sustainable businesses will take time, particularly when we consider some of our complex supply chains. By pushing to be the leader today, we are giving ourselves the best possibility of achieving long-term success.

We believe that natural resources are already feeling the strain. Pollution, biodiversity loss, growing levels of water stress and the need to manage the growth of electricity production decoupled from a country’s carbon footprint will be the important focus areas for the future. This makes sustainable development an important element of business strategy.

Grasim is committed to align its business strategy with the Aditya Birla Group’s sustainability vision. All across the sites, we are following building integrated management systems and designed to meet the Aditya Birla Group’s Sustainability Framework of policies and standards and using our IT software Enablon to collect and monitor our key performance indicators and manage our sustainability programme.

Each Unit has formed a sustainability committee responsible for reviewing the sustainability performance, driving implementation of sustainability agenda across business functions and verticals, target setting, reviewing identified key risks and other climate change related issues and recommending action plans.

Safety

Grasim’s management is committed to maintaining excellent safety practices throughout the workplace and has engaged DuPont to provide external assistance. Further, the safe distribution of chemicals is extremely important to our

management teams and they have installed GPS monitoring systems in our delivery vehicles to allow monitoring of their movement during transit and this, together with driver training will help achieve our commitment to zero accidents.

Water Stewardship

At Birla Cellulosic, the management has reduced viscose staple fibre specific water consumption by 1% this year by installing a 140 cubic metre per hour capacity reverse osmosis plant capable of recycling vapour condensate and by improving the handling of fly ash and, hence, reducing the need for water to prevent fugitive dust. At the Renukoot Chemical plant, management has achieved significant reductions in water consumption of 800 cubic metres per day and treated effluent of 700 cubic metres per day.

Waste Management

At Birla Cellulosic, the management continues to supply gypsum to UltraTech, another Group company, for the use as raw material in cement manufacturing producing value from

their waste while all new construction at the plant uses fly ash bricks made locally from the plant's waste.

Ambient Air Monitoring

At both Birla Cellulosic and Rehla Chemical, our management teams have implemented online stack and ambient air monitoring systems to transmit air emissions data directly to the pollution control board and our air emissions are very well within the norms. Further, at Birla Cellulosic, we have installed hydrogen sulphide detectors and online monitoring instruments for both sulphur dioxide and trioxide giving even better levels of process control that has increased the levels of carbon disulphide recovery from 44% to 46%.

Across all Grasim Units, we are actively engaging with our stakeholders through various platforms to identify and understand their issues and put in place action plans that are designed to continually improve our long-term relations.

Your board and management team across all the operations remain committed to a sustainable future.

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** : L17124MP1947PLC000410
2. **Name of the Company** : GRASIM INDUSTRIES LIMITED
3. **Registered Address** : BIRLAGRAM, NAGDA 456331 (M.P.)
4. **Website** : www.grasim.com
5. **E-mail ID** : grasim.brr@adityabirla.com
6. **Financial Year Reported** : 1st April 2015 to 31st March 2016
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 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 standalone basis, Grasim does not have any manufacturing Unit outside India.
ii. Number of National Locations : 14
10. **Markets served by the Company** :
- | Local | State | National | International |
|-------|-------|----------|---------------|
| √ | √ | √ | √ |

Section B: Financial Details of the Company

1. **Paid up Capital (INR)** : ₹ 93.36 Crore
2. **Total Turnover (INR)** : ₹ 8,862.22 Crore
3. **Total Profit After Taxes (INR)** : ₹ 953.27 Crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)** : The Company's total spending on CSR is 1.90% of the average profit after taxes in the previous three financial years.
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 5 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%]** : Other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, do not participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director/ Directors responsible for BR

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

- **DIN Number** : 02071393
- **Name** : Mr. Dilip Gaur, (with effect from 1st April 2016)
- **Designation** : Managing Director

b) Details of the BR head

S. No.	Particulars	Details	
1.	DIN Number (if applicable)	N. A.	N. A.
2.	Name	Mr. H. K. Agarwal	Mr. E. R. Raj Narayanan, (with effect from 1st April 2016)
3.	Designation	COO-Fibre Business	Group Executive President (Chemical Business)
4.	Telephone Number	022 - 61373903	022 - 24399101
5.	E-mail ID	h.k.agarwal@adityabirla.com	raj.narayanan@adityabirla.com

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

- P1** Business should conduct and govern themselves with Ethics, Transparency and Accountability. (Business Ethics)
- P2** Business should provide goods and services that are safe, and contribute to sustainability throughout their life circle. (Product Responsibility)
- P3** Business should promote the well-being of all employees. (Well-being of Employees)
- P4** Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. (Stakeholder Engagement and CSR)
- P5** Business should respect and promote human rights. (Human Rights)
- P6** Business should respect, protect and make efforts to restore the environment. (Environment)
- P7** Business , when engaged in influencing public and regulatory policy, should do so in a responsible manner. (Public Policy)
- P8** Business should support inclusive growth and equitable development. (CSR)
- P9** Business should engage with and provide value to their customers and consumers in a responsible manner. (Customer Relations)

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If Yes, specify (50 words)	-								
4.	Has the policy being approved by the Board? If Yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	View restricted to employees								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders. The communication is an on-going process to cover all the internal and external stakeholders.								
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Internal Auditor of the Company from time to time reviews implementation of these Policies.								

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
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)									

Not Applicable

3. Governance Related to BR

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

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

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

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

Company and all its subsidiaries, and are applicable to all the employees of the Company and its subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No stakeholder complaints were received during the year on the conduct of business involving ethics, transparency and accountability

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

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

The Company is 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 are ISO 14001 EMS certified. The plants at Nagda and Rehla are also OHSAS-18001 and SA-8000 certified. The Plants at Harihar, Vilayat, Renukoot, Karwar and Ganjam are also OHSAS-18001 certified.

Section E: Principle-wise Performance

PRINCIPLE 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company's governance structure guides the organisation keeping in mind its core values of Integrity, Commitment, Passion, Seamlessness and Speed. The Corporate Principles and the Code of Conduct cover the

Products manufactured at Vikram Woollens' Plant at Malanpur complies with oeko-tex certificate 100.

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

a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain

The Company has worked towards cost optimization, optimization of logistics and reduction in input consumption ratio in the processes, and has reduced the consumption of major inputs including energy, water, etc., by adoption of new techniques and alternate methods.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year

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

The products of the Company are used by diverse consumers; hence it is not feasible to measure the usage of water, energy by consumers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

If Yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The 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 56 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 (FSC) 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 goods and services including communities in proximity to its plant locations. First preference, given to local vendors for input material locally available, has also encouraged setting up of many ancillary units around its plants. Training and technical support are being provided to them to improve and build their capability and to educate and raise their standards.

5. Does the Company have a mechanism to recycle products and waste? If Yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.

The Company believes in 3 R Principles (Reduce, Recycle and Reuse). It recycles products and waste in the range of around 10% at its various locations.

Waste Water Recycling is also being done across all its locations. The Company has installed Reverse Osmosis Plants at various units for treating waste water. More than 10% process waste has been reused in yarns.

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

1. Please indicate the total number of employees (Permanent) : 8,891
2. Please indicate the total number of employees hired on temporary/ contractual/ casual basis : 8,060
3. Please indicate the number of permanent women employees : 116
4. Please indicate the number of permanent employees with disabilities : 26
5. Do you have an employee association that is recognised by management : Yes
6. What percentage of your permanent employees is members of this recognized employee association? : Almost, all the workers are members of the recognised employee associations (unions)
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year :

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 and skill up-gradation training in the last year?

Category of Employees	Safety Training	Skill upgradation
Permanent Employees	96%	85%
Permanent Women Employees	97%	90%
Casual /Temporary / Contractual Employees	97%	63%
Employees with Disabilities	100%	100%

PRINCIPLE 4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal as well as external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders

Yes, the Company has identified disadvantaged, vulnerable and marginalized stakeholders through baseline surveys.

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

The Company's endeavours to bring in inclusive growth are channelised through the Aditya Birla Centre for Community Initiatives and Rural Development, of which, the Company's Director, Mrs. Rajashree Birla is the Chairperson.

Several initiatives such as health care, education, infrastructure, watershed management, safe drinking water and sanitation, sustainable livelihood, self-help groups and income generation, etc., are extended to the people living near to the Company's manufacturing units.

The safety of the workers is of utmost importance and a culture of safety is brought in, not just for the Company's employees but also for the other stakeholders. The initiatives adapted at all the Units resulted in Zero Fatalities in the last financial year

PRINCIPLE 5 – Businesses should respect and promote Human Rights**1. Does the policy of the Company on Human Rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The Company has a Human Rights Policy which is also applicable to its subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints were received in the past financial year.

PRINCIPLE 6 – Business should respect, protect and make efforts to restore the environment**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others**

The Company's Policy on Safety, Health and Environment also extends to its subsidiaries. The Policy covers the whole Group. Common guidelines/frame work for the Group is being framed by Group Sustainability Cell, incorporating key points from all businesses.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If Yes, please give hyperlink for webpage, etc.

Yes, the Company is committed to address issues of global warming and reduction of emissions. The Company has regularly opted for technology upgradation with the latest state-of-the-art generation technology that reduces energy consumption. Hydrogen, being one of the eco products, is used as fuel for drying of liquid products, namely, Caustic Soda Flakes (CSF), Poly Aluminium Chloride (PAC), and Calcium Chloride. Reduction of water consumption is being achieved through reuse, recycle and installation of Condensate Pollution Unit (CPU). Our Units received the prestigious Frost & Sullivan Green Manufacturing Excellence Award- a recognition for our efforts towards Sustainability and Gold award in Chemical Sector for outstanding achievement in Environment Management at 16th Annual Greentech Environment Award 2015. Please refer to the Sustainability Report for the initiatives taken by the Company. The same is also available on Company's website 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 and Rehla are also OHSAS-18001 and SA-8000 certified. The Plants at Harihar, Vilayat, Renukoot, Karwar and Ganjam are also OHSAS-18001 certified.

Environment/Safety management programmes are initiated for the mitigation of identified environment aspects as well as safety hazards. Organisation-wide technology standards are developed for assessment of energy, carbon, waste water, air emissions, solid waste disposal and also remediation of contaminated sites.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company has undertaken various projects on Clean Development Mechanism (CDM) at its manufacturing Units. The environmental compliance reports are filed periodical with the respective State Authorities. Vikram Woollens Unit has entered into agreement with Madhya Pradesh Waste Management Project, Indore, for disposing the ETP sludge to them in the normal course of operation.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If Yes, please give hyperlink for web page etc.

Yes, the Company has taken several initiatives on clean technology, energy efficiency, renewable energy, etc.

Clean Technology: Excel Fibre Production at Pilot scale and initiative to establish production at commercial scale.

Energy Efficiency: This is a continuous exercise. Adoption of energy efficient equipment for new projects. Better utilisation of waste heat from main plant as well as ancillary units.

Renewable Energy: Currently, feasibility studies are being done to understand the viability of solar energy and use of alternate fuel such as pet coke in place of fossil fuel.

Please refer **Annexure 'F'** of the Board's Report of the Annual Report for energy conservation initiatives. The same is also available on Company's website www.grasim.com

6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes, the Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB, and are reported on periodic basis.

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

Nil

PRINCIPLE 7 – Businesses, when engaged in influencing Public and Regulatory Policy, Should do so in a responsible manner?

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a Member of

- 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 Organisation.
- 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 and Energy issues, and Water and Sustainable Business Principles.

PRINCIPLE 8 - Businesses should support Inclusive Growth and Equitable Development

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If Yes details thereof.

Yes, the Company has formulated a well-defined CSR policy, which focuses on the following major areas:

- Education
- Health Care
- Environment and Livelihood
- Rural Development
- Social Empowerment
- Protection of Heritage, Art and Culture

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

The programmes/ projects are undertaken through in-house teams / our foundation as well as in partnership with non-governmental organisations (NGOs) and governmental institutions to serve areas of community growth and sustainable development.

3. Have you done any impact assessment of your initiative?

Yes, the Company has conducted impact assessment of its CSR initiatives and has seen positive outcomes and benefits for the people in and around the Company's plants.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year under review, the Company has spent an amount ₹ 15.05 Crore on CSR activities mainly on education, health care, environment and livelihood, rural development projects, Women empowerment, etc., and to bring about social change by advocating and supporting various social campaigns and programmes.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, the Company has taken steps to ensure that the community initiatives benefit the community. Projects evolve out of the felt needs of the communities and they

are engaged in the implementation of the welfare driven initiatives, as well. The Communities actively partner with the Company and take ownership of the projects, eventually as its positive outcome benefits them hugely.

PRINCIPLE 9 – Businesses should engage with and provide Value to their Customers and Consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?

The Company has a well-defined system of addressing customer complaints. All complaints are appropriately addressed and resolved.

2. Does the Company display product information on the product label, over and above, what is mandated as per local laws? Yes/ No/ N.A./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 the end of the financial year. If so, provide details thereof, in about 50 words or so.

An enquiry is being conducted by the Competition Commission of India (CCI) against the 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 including the Company, for alleged contravention of the provisions of Section 3(3)(d) of the Competition Act, 2002, in respect of sales of few chemical products. The investigation is being conducted pursuant to a complaint filed by Delhi Jal Board with the CCI. The DG has submitted the report of its investigation to CCI and the Company has also submitted its response to CCI. The Company believes that it has not indulged in any such activity and is responding to the queries raised by the DG in the course of the investigation.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, Consumer Satisfaction Surveys are being conducted periodically to assess the consumer satisfaction levels.

Our VSF business recently conducted Consumer Satisfaction Survey for our newly launched brand 'LIVA' and the feedback has been very positive.

“As a nation we have embarked on the journey of social change through inclusive growth. A shared sense of community through shared responsibilities, both by the Government and corporates is apparent today. We have always been engaged in reaching out to communities through the spirit and culture of giving and caring, the spirit of compassion and service, which has been a legacy passed on from the Birla family, generation after generation. Our CSR activities are focused and strategic. We plough in resources, both financial and manpower where our work truly impacts the lives of the underprivileged. At the Aditya Birla Group level, through our outreach programmes, we pan out to 7.5 million people across 5,000 villages. Of this, Grasim’s community engagement reaches out to a rural population of more than spread over 180 villages and 36 urban slums.”

–Mrs. Rajashree Birla

Chairperson

Aditya Birla Centre for Community Initiatives and Rural Development

Our focus is on healthcare, education, sustainable livelihood, infrastructure and social reform.

HEALTH CARE

This year, we reached out to 43,986 villagers in the country’s hinterland through our rural mobile medical van services. At our Company-managed hospital – Indubhai Parekh Memorial Hospital in Nagda – we treated more than 1,66,000 patients. At Harihar in Karnataka, we organised eye camps in which 155 patients were operated for cataract.

At the medical camps organised for the physically challenged in Harihar, 189 patients were provided with artificial limbs, which enabled them get back on their feet. Up until now our work has enabled 2,958 persons become self-reliant, and they have integrated into the mainstream of society.

Blood donation camps were organised at Kharach in Gujarat. We collected 72 units, which were donated to the blood bank.

At several medical camps organised for ailments, such as diabetics, cardiac check-up, bone and mass density, dental problems, 4,801 villagers were examined and treated at Kharach, Rehla, Nagda and Harihar. Patients, whose ailments needed greater attention, were referred to our hospital at Nagda.

Camps for adolescent youth and sex workers, in the rural and urban communities, were conducted with on-the-spot testing facilities to generate awareness on Sexually Transmitted Diseases (STDs), Reproductive Tract Infections (RTIs) and AIDS. These camps were held at Nagda, where 3,029 persons availed the opportunity of getting tested.

MOTHER AND CHILD HEALTH CARE

In collaboration with the District Health Department, 84,700 children were immunised against polio and 6,986 children against diphtheria, typhoid, and hepatitis-B at Nagda, Kharach, Rehla, Harihar, Vilayat and Malanpur.

Health check-up camps were regularly held in the village schools at Harihar and Kharach, checking the wellness of 5,278 students.

At Vilayat, our project initiated on eradicating malnutrition, among children from 1-5 years, started showing results. Till date, 204 malnourished children have been identified and adopted with focussed intervention to improve their health.

As part of our Reproductive and Child Health Care programmes, 4,564 women availed of the ante-natal, post-natal, mass immunisation, nutrition, and escort services for institutional delivery.

SAFE DRINKING WATER AND SANITATION

This year, we installed 6 Reverse Osmosis Plants. Consequently, over 10,215 villagers have access to safe drinking water around our operations in Gujarat and Uttar Pradesh. Until now, the Company has supported 24 Reverse Osmosis plants along with water tanks over the years.

In our endeavours towards open defecation-free villages, we have facilitated the construction of 3,018 individual toilets in Nagda, Vilayat, Rehla, Renukoot, Kharach and Harihar.

We leveraged the Nirmal Gram Yozna Scheme. We also organised awareness camps in these 27 villages to sensitise the villagers and school children on the use of sanitation facilities.

EDUCATION

We enlisted 3,410 children – most of whom are first generation learners – in schools at Kharach, Vilayat, Harihar and Nagda. Merit scholarships were awarded to 174 students at Harihar, Vilayat and Renukoot.

Given our linkage with the Kasturba Gandhi Balika Vidyalayas (KGBVs) – residential schools for girls – we enrolled 471 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 educations, education material support, career counsellings, special day celebrations, cultural programmes, fees, cycles and comprehensive health check-ups. We covered 7,741 children at Nagda, Harihar, Kharach, Rehla and Vilayat.

“Pratibha Karanji”, our talent hunt programme, attracted 360 children from different schools in Harihar.

At Vilayat, we went to Ahmedabad on an educational trip with 310 students. These students from grade VI to VIII, from the five rural schools, visited Gandhi Ashram, Science City, and the Kankaria Zoo.

At Nagda, we provided 100 sets of tables and chairs to four rural middle schools, with a 300-student population finding these classrooms much more conducive to learning.

SUSTAINABLE LIVELIHOOD

On the agricultural front, at Nagda, Harihar and Vilayat, we had 1,543 farmers acclimatised with innovative cropping techniques. These projects were designed to promote sustainable agriculture with higher returns through better yield.

We mobilised crop loans of ₹ 252.37 Lakh through Government schemes in support of 337 farmers in Harihar.

The immunisation of 18,313 cattle at Harihar, Rehla and Nagda through animal husbandry and veterinary camps went a long way in stoking farmer prosperity.

At Nagda, Vilayat and Bhiwani, our cattle breed improvement project is being implemented in collaboration with BAIF, an NGO. Under the project, ‘Integrated Livestock Development Centres’ (ILDC) have been established in the villages. The centre provides livestock breed improvement services to the surrounding 80 villages.

In this year, 2,838 artificial inseminations have been completed, and 237 calves of a higher breed were spawned.

Furthermore, over 932 farmers were covered in capacity building activities, which have led to reaping an enhanced output.

Organic farming and vermi-composting have been encouraged with 72 Units participating in Nagda.

SELF HELP GROUP (SHG)

Across Grasim, 681 Self Help Groups (SHGs) empower 7,843 households, financially and socially. Most of the SHGs have been linked with the economic schemes of banks and the District Industries Centres. Women SHG members were trained in goatry, dairy, loom weaving, sutli weaving, tailoring, blanket weaving, etc. They have mobilised loans of ₹ 150.88 Lakh from banks to start income generation activities and become self-reliant.

VOCATIONAL TRAINING

Through the Ansuya Kendra at Birla Cellulosic, Kharach, and the training centres at Nagda, Rehla, Bhiwani and Vilayat, 1,581 women were trained in different skills. These comprise of tailoring, crafting, handbags and purses as well as making soaps and detergent. So far, they have enabled more than 2,750 women to stand on their feet, supplement the household income, and in some instances, run their family.

At Nagda and Vilayat, these centres were linked with USHA International to provide accreditation for the three month and six-month courses. Furthermore, 190 sewing machines were distributed to the beneficiaries, to help them start their business.

A new project, “Kaushalaya”, has been underway at Bhiwani in collaboration with ‘Confederation of Indian Industry’ (CII) under the ‘Pradhan Mantri Kaushal Vikas Yojana’ (PMKVY). This is a three-year, project, where 300 youths will be trained each

year in the trades like electrician, sales & marketing, textiles & apparel, fitter, automobile maintenance, and beautician. This year 90 youth have been trained.

104 women from Vilayat visited the AMUL dairy at Anand to understand the dimension of milk cooperative systems.

INFRASTRUCTURE DEVELOPMENT

Our activities here continue. As in the past, our Company has constructed/renovated Community Halls, School Buildings, Boundary Walls, Aganwadi Centers, Panchayat Office, Primary Health Centers around Harihar, Nagda, Kharach and Vilayat plants.

At Rehla, with an objective to provide clean energy in villages, a solar mini-grid project of 35 kilowatt capacity, providing electricity to 110 households has been established in Nawadih and Darmi villages of Garwa District. The village energy committee, "Aditya Birla Gram Saur Urza Samiti", has been set up, which will operate, manage and collect monthly instalment from users. The project will be self-sustainable in 3 years.

The 4 dams constructed at Nagda on the River Chambal continue to benefit nearly 200,000 people.

At Harihar, Karwar and Nagda, we distributed 198 street light sets to the Gram Panchayats to be used for street lighting.

SOCIAL WELFARE

To bring in social reform through attitudinal changes, we work with communities. Under the mass marriage programme, this year, 67 couples in Harihar were united in wedlock. We aided 126 persons in accessing Government Pension Funds.

OUR INVESTMENTS

For the year 2015-16, Grasim's CSR spend was ₹ 15.05 Crore. In addition, we mobilized ₹ 19.74 Crore through various schemes of the Government, acting as catalysts for the community. This has enabled us expand our reach.

Our Board of Directors, our Management and our colleagues across Grasim are committed to inclusive growth.

OUR CSR ACTIVITIES



INDEPENDENT AUDITORS' REPORT

to the Members of Grasim Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GRASIM INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 Note 4.1.1 to the financial statement;
 - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Saira Nainar
Partner
Membership No. 40081

Atul B. Desai
Partner
Membership No. 30850

Place: Mumbai
Date: 7th May, 2016

ANNEXURE "A"

to the Independent Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

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

Saira Nainar
Partner
Membership No. 40081

Atul B. Desai
Partner
Membership No. 30850

Place: Mumbai
Date: 7th May, 2016

ANNEXURE "B"

to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of GRASIM INDUSTRIES LIMITED for the year ended March 31, 2016)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a program of verification of fixed assets to cover all the items in phased manner over a period of 2 to 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at the Balance Sheet date except for the following which are not held in the name of the Company:

(₹ in Crores)

Particulars	Leasehold Land*	Freehold Land*
Gross Block as at 31 March, 2016	76.68	103.75
Net Block as at 31 March, 2016	68.83	103.75

* Leasehold land includes ₹ 35.60 Crore (Gross) and ₹ 31.44 Crore (Net) and Freehold land of ₹ 103.75 Crore (Gross and Net), transferred during the year on account of amalgamation and acquisition.

- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- The Company has not granted any loans or made investments or provided guarantees which are covered under the provisions of Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- According to the information and explanations given to us, the Company has not accepted any deposit during the year in terms of the provisions of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013.
- 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.
- According to the information and explanations given to us, in respect of statutory dues:
 - The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016, for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of the Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in Crores)
Income-tax Act, 1961	Income Tax and Interest	Appellate Authorities	2001-2015	219.62
		Assessing Authorities	2007-2016	0.66
Sales Tax/Value Added Tax Act	Sales Tax/VAT Penalty and Interest	High Court	2008-2009	0.01
		Appellate Authorities	2006-2016	1.92
Central Excise Act, 1944	Excise Duty, Penalty and Interest	High Court	1996-2016	1.98
		Appellate Authority	1999-2016	75.15
		Assessing Authority	2015-2016	0.06
Customs Act, 1962	Customs Duty, Penalty and Interest	Appellate Authority	2004-2016	10.57
Entry Tax Act	Entry Tax and Interest	Supreme Court	2005-2006	2.20
		High Court	2004-2016	11.87
		Appellate Authority	2007-2012	0.90
Service Tax under Finance Act, 1994	Service Tax, Penalty and Interest	High Court	2009-2010	0.01
		Appellate Authority	1997-2016	8.38
		Assessing Authority	2014-2016	0.01

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company did not raise money by way of initial public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Saira Nainar
Partner
Membership No. 40081

Atul B. Desai
Partner
Membership No. 30850

Place: Mumbai
Date: 7th May, 2016

BALANCE SHEET

as at 31st March, 2016

₹ in Crores

	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	93.36	91.87
Reserves and Surplus	2.2	12,277.15	11,091.05
		12,370.51	11,182.92
Non-Current Liabilities			
Long-Term Borrowings	2.3	633.33	856.54
Deferred Tax Liabilities (Net)	2.4	959.41	614.51
Other Long-Term Liabilities	2.5	23.39	20.98
Long-Term Provisions	2.6	73.73	67.63
		1,689.86	1,559.66
Current Liabilities			
Short-Term Borrowings	2.7	981.85	74.20
Trade Payables	2.8	593.22	484.40
Other Current Liabilities	2.9	775.75	628.24
Short-Term Provisions	2.10	571.39	435.79
		2,922.21	1,622.63
TOTAL		16,982.58	14,365.21
ASSETS			
Non-Current Assets			
Fixed Assets	2.11		
Tangible Assets		7,016.68	5,181.90
Intangible Assets		19.36	5.64
Capital Work-in-Progress		317.65	450.36
		7,353.69	5,637.90
Non-Current Investments	2.12	4,632.59	4,486.14
Long-Term Loans and Advances	2.13	802.26	526.05
		12,788.54	10,650.09
Current Assets			
Current Investments	2.14	1,054.83	864.20
Inventories	2.15	1,609.41	1,433.15
Trade Receivables	2.16	992.37	687.49
Cash and Bank Balances	2.17	36.10	53.19
Short-Term Loans and Advances	2.18	464.87	640.96
Other Current Assets	2.19	36.46	36.13
		4,194.04	3,715.12
TOTAL		16,982.58	14,365.21
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

Dilip Gaur
Managing Director

R. C. Bhargava
M. L. Apte
Directors

Saira Nainar
Partner

Atul B. Desai
Partner

Sushil Agarwal
Whole-time Director &
Chief Financial Officer

Mumbai
Dated: 7th May, 2016

Hutokshi Wadia
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2016

₹ in Crores

	Note	Year Ended 31st March, 2016 (Current Year)	Year Ended 31st March, 2015 (Previous Year)
REVENUE			
Sale of Products and Services (Gross)	3.1	9,668.54	6,819.15
Other Operating Revenues	3.2	117.38	80.24
		9,785.92	6,899.39
Less: Excise Duty		806.32	566.81
Revenue from Operations (Net)		8,979.60	6,332.58
Other Income	3.3	281.77	348.07
Total Revenue (I)		9,261.37	6,680.65
EXPENSES			
Cost of Materials Consumed	3.4	4,389.67	3,622.33
Purchases of Stock-in-Trade	3.5	40.58	21.10
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.6	(4.00)	(65.04)
Employee Benefits Expenses	3.7	610.22	482.25
Power and Fuel		1,403.75	1,040.62
Freight and Handling Expenses		159.13	106.65
Other Expenses	3.8	816.38	499.82
		7,415.73	5,707.73
Less: Captive Consumption [Net of Excise Duty of ₹ 0.01 Crore (Previous Year ₹ 0.19 Crore)]		14.83	40.12
Total Expenses (II)		7,400.90	5,667.61
Profit Before Interest, Depreciation/Amortisation and Tax (PBITD) (I) – (II)		1,860.47	1,013.04
Finance Costs	3.9	147.40	39.33
Depreciation and Amortisation Expenses	2.11.5	447.14	262.55
Profit Before Exceptional Item and Tax		1,265.93	711.16
Exceptional Item	2.12.3	(29.19)	(26.24)
Profit Before Tax		1,236.74	684.92
Tax Expense			
Current Tax		231.33	109.66
MAT Credit		(153.82)	(109.66)
Provision for Tax of Earlier Year's Written Back		(7.91)	(2.38)
Deferred Tax		213.87	157.40
Total Tax Expenses		283.47	155.02
Profit for the Year		953.27	529.90
Earnings Per Equity Share (Face Value ₹ 10 each)	3.12		
Basic (₹)		102.13	57.69
Diluted (₹)		102.04	57.63
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

Dilip Gaur
Managing Director

R. C. Bhargava
M. L. Apte
Directors

Saira Nainar
Partner

Atul B. Desai
Partner

Sushil Agarwal
Whole-time Director &
Chief Financial Officer

Mumbai
Dated: 7th May, 2016

Hutokshi Wadia
Company Secretary

CASH FLOW STATEMENT

for the year ended 31st March, 2016

₹ in Crores

	Current Year	Previous Year
A. Cash Flow from Operating Activities		
a. Profit Before Tax	1,236.74	684.92
Adjustments for:		
Depreciation and Amortisation	447.14	262.55
Finance Costs	147.40	39.33
Interest Income	(30.71)	(21.33)
Dividend Income	(178.99)	(182.66)
Provision for Bad and Doubtful Debts (Net)	2.84	1.17
Provision for Diminution in Value of Long-Term Investments (Note 2.12.3)	29.19	26.24
Employee Stock Option Expenses (Note 3.7)	2.34	2.75
(Profit)/Loss on Sale of Fixed Assets (Net)	3.26	(1.75)
Profit on Sale of Investments (Net)	(25.71)	(100.40)
Profit on Sale of Consumer Products Division (Net) {Slump Sale}	(7.72)	-
b. Operating Profit Before Working Capital Changes	1,625.78	710.82
Adjustments for:		
Trade Receivables	(178.79)	(74.83)
Loans and Advances, and Other Assets	202.09	(35.50)
Inventories	(17.10)	(220.88)
Trade Payables and Other Liabilities	17.41	197.39
c. Cash Generated from Operations	1,649.39	577.00
Direct Taxes Paid (Net of Refund)	(321.18)	(129.36)
Net Cash from Operating Activities	1,328.21	447.64
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets (including Capital Advances)	(610.42)	(475.12)
Sale of Fixed Assets	4.56	6.63
Investments in Joint Ventures and Associates	(3.94)	(65.39)
Sale of Long-Term Investments	11.56	-
Sale of Consumer Products Division (Net) {Slump Sale}	9.53	-
Sale/(Purchase) of Mutual Fund Units, Bonds and Certificate of Deposits (Net)	(343.13)	392.84
Loans and Advances to Subsidiaries, Joint Ventures and Associates	8.44	(5.44)
Inter-Corporate Deposits	30.00	(30.00)
Interest Received	28.14	21.29
Dividend Received	178.99	182.66
Net Cash From/(Used in) Investing Activities	(686.27)	27.47

₹ in Crores

	Current Year	Previous Year
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital under ESOS (Net)	5.25	4.08
Proceeds from Long-Term Borrowings	-	36.39
Repayments of Long-Term Borrowings	(975.46)	(170.54)
Proceeds/(Repayment) of Short-Term Borrowings (Net)	648.00	(52.96)
Interest Paid (Net of Interest Subsidy)	(157.68)	(64.80)
Dividends Paid	(177.42)	(192.91)
Corporate Dividend Tax Paid	(5.75)	(7.48)
Net Cash From/(Used in) Financing Activities	(663.06)	(448.22)
D. Net Increase/(Decrease) in Cash and Cash Equivalents	(21.12)	26.89
Cash and Cash Equivalents at the Beginning of the Year	53.19	26.30
Cash and Cash Equivalents received on Amalgamation/ Acquisition (Note 1A)	4.03	-
Cash and Cash Equivalents at the End of the Year	36.10	53.19
(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 ₹ 10.17 Crore (Previous Year ₹ 10.49 Crore) which are statutorily and contractually restricted accounts.
- (iii) The Scheme of Amalgamation between ABCIL and the Company did not involve any cash outflow as the Company issued Equity Shares of the Company to the Shareholders of erstwhile ABCIL in terms of the Scheme.
- (iv) 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

Dilip Gaur
Managing DirectorR. C. Bhargava
M. L. Apte
DirectorsSaira Nainar
PartnerAtul B. Desai
PartnerSushil Agarwal
Whole-time Director &
Chief Financial OfficerMumbai
Dated: 7th May, 2016Hutokshi Wadia
Company Secretary

GENERAL INFORMATION

Grasim Industries Limited ("the Company") is engaged primarily in three businesses, Viscose Staple Fibre (VSF), Chlor Alkali Chemicals and in Cement, through its subsidiary UltraTech Cement Limited. It also produces Rayon Grade Pulp and allied Chemicals which are used in the manufacture of VSF. The manufacturing plants of the Company, its Subsidiaries and Joint Ventures are located in India, Canada, Sweden, China, Middle East, Sri Lanka and Bangladesh. The Company is a public limited company, and its shares are listed on the Bombay Stock Exchange (BSE), India, and the National Stock Exchange (NSE), India, and the Company's Global Depository Receipts are listed on the Luxembourg Stock Exchange.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation:

The financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis and complied in all material aspects with the Accounting Standards (AS) and the relevant provisions of the Companies Act, 1956, and the 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 of 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. Differences 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, other than Long-term investments classified as current based on maturity in next 12 months, are stated at lower of cost and fair value determined for each category of investments.

On disposal or sale of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss as Profit/Loss on sale 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.

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

The Company follows Accounting Standard-30 – “Financial Instrument: Recognition and Measurement” – to the extent it does not conflict with other accounting standards and regulatory requirements. Accordingly, the Company tests each contract entered on the basis of highly probable forecast transaction and decide whether to designate the same as an effective hedging instrument for an underlying transaction.

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 gains or losses on designated hedging contracts that qualify as an effective hedge are recorded in the hedging reserve account until the transactions are completed. Upon completion or cessation of effective hedging relationship, net cumulative gains/losses are transferred to the Statement of Profit and Loss. The gains 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 mark-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).

Proceeds from sale of raw materials/stores are credited to their respective heads.

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 the carrying value of investments 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

Contributions 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 of incurring the same.

Defined Benefit Plan

The obligations 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 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.

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

Exchange difference, arising on restatement of long-term monetary items that in substance forms part of the Company's net investment in non-integral foreign operations, is accumulated in Foreign Currency Translation Reserve until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

1.15 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 which are 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 written-down-value method basis over the useful lives as prescribed in Schedule II of 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 the total cost of assets has been determined separately; and the depreciation has been provided accordingly.

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of 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:

<u>Assets</u>	<u>Estimated Useful Life</u>
Motor Cars/Two-Wheelers	5 years
IT Servers and Networks	3 years
Other Electronic Office Equipment	4 years
Computer Software	3 years
Furniture and Fixtures, and Electrical Fittings	7 years
Trademarks, Technical Know-how	10 years
Motor Buses, Tractors, Trolleys	5 years
Power Plants	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.

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. In case of a new project, the depreciation from the date of commissioning of such project is charged to the 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 depreciation or carry forward of losses under tax laws, 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 recognised 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 the 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 the estimate of the amount required to settle the obligation at the Balance Sheet date and are not discounted to the 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.

1.22 Segment Reporting:

Segments are identified based on the nature of products and services, the different risks and returns, and the internal reporting structure.

Further, inter-segment revenues have been accounted for based on the transaction price agreed to between segments, which is primarily market based.

“Unallocated Corporate Expenses” revenue and expenses, which relate to initiatives/costs attributable to the enterprise as a whole, are not attributable to segments.

1A. Amalgamation of Aditya Birla Chemicals (India) Ltd.

The Hon'ble High Courts of Madhya Pradesh and Jharkhand have, by their respective orders, approved the Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited (ABCIL), a leading manufacturer of Chlor Alkali and allied chemicals, with Grasim Industries Limited and their respective Shareholders and Creditors. ABCIL has been amalgamated with the Company on 4th January, 2016, w.e.f. the appointed date of 1st April, 2015.

All the assets and liabilities have been accounted for in the books of account of the Company at the value appearing in the books of account of ABCIL as on 1st April, 2015, under the “Pooling of Interest” method as prescribed by Accounting Standard-14 on “Accounting for Amalgamations”.

In terms of the Scheme, the Company has issued 14.62 lakh Equity Shares to the shareholders of the erstwhile ABCIL in the ratio of 1 (one) share of ₹ 10/- each fully paid-up against 16 (sixteen) shares of ₹ 10/- each fully paid-up of ABCIL held by them. As a result, Issued and Paid-up Equity Share Capital of the Company has increased by ₹ 1.46 Crore to ₹ 93.33 Crore.

Difference between Share Capital of ABCIL of ₹ 23.39 Crore and Equity Share Capital issued by the Company of ₹ 1.46 Crore to ABCIL shareholders amounting to ₹ 21.93 Crore has been disclosed as "Capital Reserve".

Further, Chlor Alkali plant and related assets of Ganjam, Odisha and Salt works at Pundi, Andhra Pradesh, were acquired during the year at a total consideration of ₹ 212 Crore as per the Business Transfer Agreement between ABCIL and Jayshree Chemicals Ltd.

In view of amalgamation of ABCIL with the Company with effect from 1st April, 2015, and above acquisition, the figures for the current year are not strictly comparable with those of the previous year.

₹ in Crores

			As at 31st March, 2016	As at 31st March, 2015
2.1 SHARE CAPITAL				
2.1.1 Authorised				
119,500,000 Equity Shares of ₹ 10 each (Previous Year 95,000,000)			119.50	95.00
Redeemable Cumulative Preference Shares of ₹ 100 each				
150,000 15% "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
50,000 11%			0.50	-
			125.50	100.50
2.1.2 Issued, Subscribed and Fully Paid-up				
93,346,106 (Previous Year 91,852,185) Equity Shares of ₹ 10 each fully paid-up			93.35	91.86
Share Capital Suspense				
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 the Scheme of Arrangement without payment being received in cash			0.01	0.01
			93.36	91.87
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	91,867,064	91,841,850	91.87	91.84
Issued during the year to the Shareholders of ABCIL pursuant to the Scheme of Amalgamation (Refer Note 1A)	1,461,657	-	1.46	-
Issued during the year under Employee Stock Options Scheme	32,264	25,214	0.03	0.03
Outstanding as at the end of the year	93,360,985	91,867,064	93.36	91.87
2.1.4	Aggregate Number of Equity Shares allotted as fully paid-up during the period of five years immediately preceding the reporting date without payment being received in cash	27		
2.1.5 List of Shareholders holding more than 5% shares in Equity Share Capital of the Company				
	Current Year		Previous Year	
	No. of Shares	% Holding	No. of Shares	% Holding
Turquoise Investments and Finance Private Limited	5,908,341	6.33%	5,908,341	6.43%
Trapti Trading and Investments Private Limited	5,477,863	5.87%	5,477,863	5.96%
Life Insurance Corporation of India	6,280,468	6.73%	6,762,454	7.36%
2.1.6	Equity Shares of ₹ 10 each represented by Global Depository Receipts (GDRs) (GDR holders have no voting rights)	13.34%	13,288,776	14.47%

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 the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the 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.

2.1.8 241,426 (Previous Year 252,175) Equity Shares of Face Value of ₹ 10 each are reserved for issue under the 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, 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.

2.1.8.1 b. Under the ESOS-2013, the Company has granted 198,052 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiaries, the details of which are given hereunder:

	Options			Restricted Stock Units			
	Tranche I	Tranche II	Tranche III	Tranche I	Tranche II	Tranche III	Tranche IV
No. of Options/RSUs Granted	125,403	11,981	24,350	18,699	8,084	6,202	3,333
Grant Date	18th October, 2013	29th January, 2014	15th January, 2016	18th October, 2013	21st November, 2013	29th January, 2014	15th January, 2016
Grant Price (₹ Per Share)	2,714	2,593	3,500	10	10	10	10
Market Price on the Date of Grant (₹)	2,714	2,593	3,500	2,714	2,608	2,593	3,500
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			

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	252,175	282,502
Granted during the year	27,683	-
Exercised during the year	32,264	25,214
Lapsed during the year	6,168	5,113
Outstanding at the end of the year	241,426	252,175
Options: Unvested at the end of the year	127,911	141,358
Exercisable at the end of the year	113,515	110,817

2.1.8.3. Fair Valuation

The fair value of options used to compute proforma net income and the 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 the 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 III	Tranche I	Tranche II	Tranche III	Tranche IV
Risk-Free Rate	8.58%	8.87%	7.87%	8.66%	8.90%	9.00%	7.96%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period			5.50	5.50	5.50	5.50
Expected Volatility	24.01%	23.47%	28.26%	24.01%	23.76%	23.47%	28.52%
Dividend Yield	1.03%	1.10%	0.36%	1.34%	1.40%	1.43%	0.34%

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 1049 per stock option and ₹ 2646 per RSU. (Previous Year ₹ 990 per stock option and ₹ 2550 per RSU).

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:

₹ in Crores		
	As at 31st March, 2016	As at 31st March, 2015
Profit for the Year (As Reported)	953.27	529.90
Add: Compensation Expenses under ESOS included in the Statement of Profit and Loss (Note 3.7)	2.34	2.75
Less: Compensation Expenses under ESOS as per Fair Value	5.58	7.92
Profit for the Year (Fair Value basis)	950.03	524.73
Basic Earnings Per Share: (As Reported) - ₹/Share	102.13	57.69
(Fair Value basis) - ₹/Share	101.78	57.13
Diluted Earnings Per Share: (As Reported) - ₹/Share	102.04	57.63
(Fair Value basis) - ₹/Share	101.69	57.06

2.2 RESERVES AND SURPLUS

₹ in Crores

	Securities Premium Account	General Reserve	Hedging Reserve *	Employee Share Options Outstan- ding #	Capital Reserve	Foreign Currency Translation Reserve @	Surplus as per the Statement of Profit and Loss	Total
As at 31st March, 2016								
Opening Balance as at 1st April, 2015	37.98	9,345.81	(0.01)	8.27	-	2.05	1,696.95	11,091.05
Transferred from ABCIL as on 01.04.2015 pursuant to the Scheme of Amalgamation (Note 1A)	0.02	43.27	-	-	17.00	-	362.33	422.62
Capital Reserve on Amalgamation (Note 1A)	-	-	-	-	21.93	-	-	21.93
Profit for the Year	-	-	-	-	-	-	953.27	953.27
Transfer from the Statement of Profit and Loss to General Reserve	-	500.00	-	-	-	-	(500.00)	-
Exchange Loss recognised in the Statement of Profit and Loss	-	-	0.01	-	-	-	-	0.01
Proposed Dividend (including Corporate Dividend Tax)	-	-	-	-	-	-	(220.84)	(220.84)
Movement related to ESOS	6.93	-	-	0.69	-	-	-	7.62
Restatement of Long-Term Loan to a Foreign Joint Venture	-	-	-	-	-	1.49	-	1.49
Closing Balance as at 31st March, 2016	44.93	9,889.08	-	8.96	38.93	3.54	2,291.71	12,277.15
As at 31st March, 2015								
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 the Statement of Profit and Loss (Net of Deferred Tax) (Note 2.2.3)	-	-	-	-	-	-	(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)
Closing Balance as at 31st March, 2015	37.98	9,345.81	(0.01)	8.27	-	2.05	1,696.95	11,091.05

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

Net of Deferred Employees' Compensation Expenses ₹ 2.60 Crore (Previous Year ₹ 4.65 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** The Board of Directors has recommended a dividend of ₹ 22.50 per share for the year ended, 31st March, 2016 (Previous Year ₹ 18 per share). The total cash outflows on account of the dividend would be ₹ 210.03 Crore (Previous Year ₹ 165.33 Crore) and on account of Corporate Dividend Tax ₹ 10.78 Crore (Previous Year ₹ 3.37 Crore).
- 2.2.2** Proposed Dividend (including Corporate Dividend Tax) includes ₹ 0.03 Crore (Previous Year ₹ 0.04 Crore) related to Previous Year.
- 2.2.3** During the previous year, 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, had been recognised in Surplus as per the Statement of Profit and Loss as per Schedule II of the Companies Act, 2013.

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.3 LONG-TERM BORROWINGS		
Secured		
Rupee Term Loans from Banks	621.49	834.76
Unsecured		
Deferred Sales Tax Loans	11.84	21.78
	633.33	856.54

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

	Current Year		Previous Year	
	Current *	Non-Current	Current *	Non-Current
Secured Long-Term Borrowings:				
(a) 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 (d) below] Quarterly ballooning repayment from April 2010, over 8 years	52.50	39.38	46.88	91.88
(b) Rupee Term Loan secured by first charge on the Plant and Machinery, both present and future, of the Company located at Vilayat (Staple Fibre Division) Quarterly ballooning repayment from April 2014, over 5 years	157.50	549.00	112.50	706.49
(c) Rupee Term Loan secured by exclusive charge on certain specific fixed assets of Nagda (Staple Fibre Division) Quarterly ballooning repayment from May 2016, over 5 years	3.28	33.11	-	36.39
(d) 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) Quarterly ballooning repayment from October 2007, over 8 years	-	-	6.68	-
Total Secured Borrowings (I)	213.28	621.49	166.06	834.76

₹ in Crores

	Current Year		Previous Year	
	Current *	Non-Current	Current *	Non-Current
Unsecured Long-Term Borrowings:				
(a) Deferred Sales Tax Loans (Interest-Free) (Commercial Tax Department)				
- Repayable in six annual instalments starting from 31st May, 2012	10.89	10.89	10.89	21.78
- Repayable after ten years from the respective year in which the actual tax was collected, starting from 14th March, 2011	-	-	7.27	-
(b) Industrial Investment Promotion Scheme-2012 (Interest-Free)				
- Repayable on 27th March, 2022	-	0.95	-	-
Total Unsecured Borrowings (II)	10.89	11.84	18.16	21.78
Total Borrowings (I + II)	224.17	633.33	184.22	856.54

* 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			
	Within 2 Years	3 - 4 Years	5 - 6 Years	7 Years & Above
Secured				
Rupee Term Loans from Banks	459.71	361.05	14.01	-
Unsecured				
Deferred Sales Tax Loans	21.78	-	-	0.95
Total Current Year	481.49	361.05	14.01	0.95
Previous Year	408.38	610.19	22.19	-

2.4 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2016	Transferred from ABCIL on its Amalgamation (Note 1A)	Charge for the Year	As at 31st March, 2015
Deferred Tax Liabilities:				
Accumulated Depreciation	1,006.32	133.41	180.68	692.23
Others	0.03	-	(0.01)	0.04
Deferred Tax Assets:				
Accrued Expenses Allowable on Payment Basis	9.81	2.28	(1.61)	9.14
Expenses Allowable in Instalments in Income Tax	24.75	-	24.12	0.63
Provision for Contingencies Allowable on Payment Basis	12.38	0.10	6.54	5.74
Unabsorbed Depreciation	-	-	(62.25)	62.25
	46.94	2.38	(33.20)	77.76
Deferred Tax Liabilities (Net)	959.41	131.03	213.87	614.51

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.5 OTHER LONG-TERM LIABILITIES		
Security and Other Deposits	1.94	1.15
Other Liabilities	21.45	19.83
	23.39	20.98
2.6 LONG-TERM PROVISIONS		
For Employee Benefits	73.73	67.63
	73.73	67.63
2.7 SHORT-TERM BORROWINGS		
Loans Repayable on Demand from Banks		
Secured		
Working Capital Borrowings (Note 2.7.1)		
Rupee Loans	366.02	5.03
Unsecured		
Working Capital Borrowings		
Foreign Currency Loans	165.83	68.85
Documentary Demand Bills/Usance Bills under Letter of Credit discounted	-	0.32
Other Loans and Advances		
Unsecured		
Commercial Papers*	450.00	-
	981.85	74.20
* Maximum balance outstanding during the year	1,245.00	-
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 (Note 4.8.5)	4.59	0.91
Others	588.63	483.49
	593.22	484.40
This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.		
2.9 OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debts (Note 2.3.1)	224.17	184.22
Interest Accrued but not Due on Borrowings	7.29	9.13
Unclaimed Dividends (Amount Transferable to Investor Education and Protection Fund, when due)	10.03	10.37
Security and Other Deposits (Trade Deposits)	21.13	17.34
Advances from Customers	33.24	27.73
Liabilities for Capital Goods	8.08	36.60
Other Payables (including Employee Benefits Payable, Liquidated Damages, Retention Money and Statutory Dues, etc.)	471.81	342.85
	775.75	628.24

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.10 SHORT-TERM PROVISIONS		
For Employee Benefits	14.01	10.62
For Proposed Dividend	210.03	165.33
For Corporate Dividend Tax	10.78	3.37
For Assets Transfer Cost	83.95	-
For Taxation (Net of Advance Tax)	252.62	256.47
	571.39	435.79

2.10.1 Movement of provisions during the year as required by Accounting Standard-29 – “Provisions, Contingent Liabilities and Contingent Asset” specified under Section 133 of the Companies Act, 2013

Provision for Cost of Transfer of Assets:		
Opening Balance	-	-
Add: Provision during the year	83.95	-
Less: Utilisation during the year	-	-
Closing Balance	83.95	-

Provision for stamp duty related to amalgamation of ABCIL has been made based on substantial degree of estimation. Outflow against the same is expected at the time of regulatory process of registration of assets owned by ABCIL in the name of the Company.

2.11 FIXED ASSETS

₹ in Crores

Gross Block						Depreciation//Amortisation			Net Block	
	Opening	Addition on Amalgamation of ABCIL (Note 1A)	Addition on Acquisition (Note 2.11.9)	Deductions	Closing	Opening	Addition on Amalgamation of ABCIL (Note 1A)	For the Year	Deductions	Closing
CURRENT YEAR ENDED 31ST MARCH, 2016										
TANGIBLE ASSETS										
Freehold Land	88.94	7740	20.94	5.84	0.05	193.07	-	-	-	193.07
Leasehold Land	92.00	10.17	22.87	31.65	-	156.69	3.82	2.79	4.40	11.01
Leasehold Improvements	-	-	-	1.83	-	1.83	-	-	0.35	0.35
Buildings	859.80	175.24	46.84	71.88	0.05	1,153.71	158.72	24.14	54.29	237.10
Plant and Equipment	6,055.04	1,493.96	115.06	534.26	47.16	8,151.16	1,857.84	330.45	349.25	2,509.10
Furniture and Fixtures	35.46	5.20	0.04	7.20	0.33	47.57	22.32	4.06	4.36	30.48
Vehicles	106.78	9.27	-	8.95	7.04	117.96	32.25	3.81	18.14	48.04
Office Equipment	73.81	6.73	0.45	9.45	2.16	88.28	56.66	3.87	8.51	67.05
Salt Pans, Reservoir and Condensers	-	741	-	-	-	7.41	-	5.44	1.13	6.57
Railway Sidings	5.67	13.93	-	1.13	-	20.73	3.99	6.43	1.61	12.03
Total Tangible Assets	7,317.50	1,799.31	206.20	672.19	56.79	9,938.41	2,135.60	380.99	442.04	2,921.73
INTANGIBLE ASSETS										
Computer Software	13.67	3.73	-	2.99	0.36	20.03	10.35	2.46	2.23	14.65
Value of Licence	-	22.36	-	-	-	22.36	-	8.46	2.09	10.55
Technical Know-how	2.50	-	-	0.56	-	3.06	0.18	-	0.78	0.96
Trade Mark (Note 2.11.6)	0.01	-	-	0.07	-	0.08	0.01	-	-	0.01
Total Intangible Assets	16.18	26.09	-	3.62	0.36	45.53	10.54	10.92	5.10	26.17
	7,333.68	1,825.40	206.20	675.81	57.15	9,983.94	2,146.14	391.91	447.14	2,947.90
						Capital Work-in-Progress (including Pre-Operative Expenses)				
						Total Fixed Assets				
						7,353.69				

₹ in Crores						
Gross Block				Depreciation/Amortisation		Net Block
Opening	Addition on Amalgamation of ABCIL (Note 1A)	Addition on Acquisition (Note 2.11.9)	Deductions	Closing	Opening	Closing
PREVIOUS YEAR ENDED 31ST MARCH, 2015						
TANGIBLE ASSETS						
Freehold Land	47.29	-	41.68	0.03	88.94	88.94
Leasehold Land	92.00	-	-	-	92.00	88.18
Buildings	578.00	-	281.81	0.01	859.80	701.08
Plant and Equipment	4,576.42	-	1,514.36	35.74	6,055.04	4,197.20
Furniture and Fixtures	29.79	-	9.55	3.88	35.46	13.14
Vehicles	42.80	-	67.70	3.72	106.78	74.53
Office Equipment	64.87	-	10.02	1.08	73.81	17.15
Railway Sidings	5.67	-	-	-	5.67	1.68
Total Tangible Assets	5,436.84	-	1,925.12	44.46	7,317.50	5,181.90
INTANGIBLE ASSETS						
Computer Software	11.01	-	2.67	0.01	13.67	3.32
Technical Know-how	-	-	2.50	-	2.50	2.32
Trade Mark (Note 2.11.7)	0.01	-	-	-	0.01	-
Total Intangible Assets	11.02	-	5.17	0.01	16.18	5.64
	5,447.86	-	1,930.29	44.47	7,333.68	5,187.54
Capital Work-in-Progress (including Pre-Operative Expenses)					450.36	
Total Fixed Assets					5,637.90	

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.11.1 Freehold land includes cost of land which is in the process of being registered in the name of the Company. Leasehold land includes cost of land for which lease deeds are in the process of execution. The titles of the immovable assets transferred from ABCIL pursuant to the Scheme of Amalgamation and the immovable assets acquired from Jayshree Chemicals Ltd. are in the process of being transferred in the name of the Company.		
2.11.2 Building includes workers' quarters mortgaged with state governments against subsidies received:		
Gross Block	0.45	0.46
Accumulated Depreciation	0.44	0.45
Net Block	0.01	0.01
2.11.3 Assets Held on Co-ownership with other companies:		
Gross Block	115.05	87.71
Accumulated Depreciation	23.85	19.77
Net Block	91.20	67.94
2.11.4 Fixed Assets include Capital Expenditure for Research and Development Activities:		
Gross Block	106.24	102.59
Accumulated Depreciation	25.92	20.04
Net Block	80.32	82.55
Additions during the year	4.60	19.04
Capital Work-in-Progress	0.96	-
2.11.5 Depreciation and Amortisation for the year:	447.14	280.32
Less: Capitalised as Pre-Operative Expenses	-	3.63
Less: Depreciation transferred to Surplus as per the Statement of Profit and Loss	-	14.14
Depreciation and Amortisation for the Year charged to the Statement of Profit and Loss	447.14	262.55
2.11.6 Additions to Fixed Assets include Capitalisation on Account of:		
Finance Costs	0.37	1.42
2.11.7 Amortisation Expenses related to Trademark are ₹ 13,307		

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.11.8 Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:		
Expenditure incurred during the year:		
Salaries, Wages, Bonus and Gratuity	-	16.97
Raw Materials Consumed	-	212.89
Consumption of Stores, Spare Parts and Components, Packing Materials and Incidental Expenses	-	8.53
Rent and Hire Charges	-	1.03
Power and Fuel	-	39.13
Rates and Taxes	-	-
Insurance	-	3.44
Exchange Rate Difference Loss/(Gain) (Net)	-	4.22
Depreciation	-	3.63
Other Expenses	-	15.12
Finance Costs	-	24.86
	-	329.82
Less: Income Earned during the year		
Sale of Trial Run Production {Net of Excise Duty ₹ Nil (Previous Year ₹ 15.75 Crore)}	-	133.34
Stock of Trial Run Production	-	89.08
Miscellaneous Receipts	-	1.26
	-	223.68
Total Pre-Operative Expenses incurred during the year	-	106.14
Add: Pre-Operative Expenditure Incurred upto Previous Year	9.77	120.90
Add: Transferred from ABCIL pursuant to the Scheme of Amalgamation	0.56	-
Less: Pre-Operative Expenditure Allocated to Fixed Assets during the Year	10.14	217.27
Less: Pre-Operative Expenditure charged to P & L during the Year	0.19	-
Total Pre-Operative Expenses Pending Allocation	-	9.77
2.11.9 Value of fixed assets acquired (Ganjam, Odisha, and Pundi, Andhra Pradesh, Units of Jayshree Chemicals Ltd.) during the year at a consideration of ₹ 206.20 Crore.		
2.11.10 The Company has componentised the fixed assets transferred to it on amalgamation of ABCIL and has separately assessed the life of major components, forming part of the main asset.		
Consequently, the depreciation charge for the current year is higher by ₹ 28.87 Crore on account of higher depreciation on components.		

₹ in Crores

	Face Value	Total Nos.	As at 31st March, 2016	As at 31st March, 2015
2.12 NON-CURRENT INVESTMENTS (Long-Term, Fully Paid up, At Cost)				
Trade Investments				
Investments in Equity Instruments				
Subsidiaries				
UltraTech Cement Limited #	₹ 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	₹ 10	53,900	0.05	0.05
Grasim Bhiwani Textiles Limited (Note 2.12.2)	₹ 10	20,050,000	60.05	60.05
Aditya Birla Chemicals (Belgium) BVBA \$	EURO 1	6,198	0.05	-
			2,702.90	2,702.85
Joint Ventures				
AV Cell Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 13.50 Million (Note 2.12.2)	WPV	81,000	50.66	50.66
AV Nackawic Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 24.75 Million (Note 2.12.2)	WPV	123,750	102.38	102.38
Birla Jingwei Fibres Co. Limited, China, Shares of aggregate value of RMB 174.53 Million (Note 2.12.2)	WPV	-	117.40	117.40
Birla Lao Pulp & Plantations Company Limited, Laos (Previous Year 18,840 shares)	US\$ 1000	19,440	95.18	91.24
Provision for Diminution (Note 2.12.3)			(55.43)	(26.24)
Bhubaneswari Coal Mining Limited	₹ 10	33,540,000	33.54	33.54
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey (Note 2.12.5)	TRY 10	1,999,998	-	56.67
AV Terrace Bay Inc., Canada (Previous Year 28,000,000 shares) (Note 2.12.2)	CAD 1	28,000,000	156.36	156.36
Aditya Group AB, Sweden (Note 2.12.2)	SEK 1000	50	274.89	274.89
			774.98	856.90
Associates				
Aditya Birla Science & Technology Company Private Limited	₹ 10	7,799,500	7.80	7.80
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
			1.52	1.52

₹ in Crores

	Face Value	Total Nos.	As at 31st March, 2016	As at 31st March, 2015
Investments in Preference Shares				
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	WPV	160,000	49.25	49.25
Others				
3.50% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	2,500,000	25.00	25.00
11% (NC) Cumulative Preference Shares of TANFAC Industries Limited \$	₹ 100	500,000	5.00	-
\$ Transferred from ABCIL pursuant to the Scheme of Amalgamation				
Other Investments				
Investments in Equity Instruments				
Associates				
Idea Cellular Limited # (Note 2.12.2)	₹ 10	171,013,894	171.01	171.01
Others				
Aditya Birla Nuvo Limited # (Note 2.12.4)	₹ 10	3,345,816	33.26	68.37
Larsen & Toubro Limited # (Previous Year 5,777,976 shares)	₹ 2	2,631,869	10.53	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
Aditya Birla Fashion and Retail Ltd. # (Note 2.12.4)	₹ 10	17,398,243	35.11	-
			430.68	443.26
Investments in Government or Trust Securities				
Deposited with Government Departments			0.02	0.02
Investments in Debentures or Bonds #				
Tata Steel Limited – 11.80% Perpetual NCD (Previous Year 80 units)	₹ 1,000,000	-	-	8.20
Housing and Urban Development Corporation Limited – Tax-Free Bond - 8.10% 2022	₹ 1000	195,000	19.50	19.50

₹ in Crores

	Face Value	Total Nos.	As at 31st March, 2016	As at 31st March, 2015
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
			146.28	154.48
Investments In various Mutual Funds # (Previous Year 47,400,000 units)	₹ 10	291,500,000	291.50	47.40
			4,632.59	4,486.14

WPV – Without Par Value

Quoted Investments

* Non-transferable due to litigation, since settled

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.12.1 Aggregate Book Value of:		
Quoted Investments	3,676.12	3,452.80
Unquoted Investments	956.47	1,033.34
	4,632.59	4,486.14
Aggregate Market Value of Quoted Investments	57,105.26	53,210.39
Aggregate Provision for Diminution in Value of Investments	55.43	26.24

2.12.2 The investment in the 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 the 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.

2.12.3 The Company holds 40% stake in Birla Lao Pulp & Plantations Company Ltd. (BLPP), a joint venture of the Company, to secure pulp requirement for its VSF business at a cost of ₹ 95.18 Crore. Considering the present overcapacity, in both pulp and fibre businesses, its strategic importance to the Company is diminished. Therefore, the Company has further provided ₹ 29.19 Crore (₹ 26.24 Crore during the previous year), towards diminution, other than temporary, in the value of the said investment being the excess of the cost over the estimated enterprise value. It has been disclosed as exceptional item.

2.12.4 Pursuant to the Composite Scheme of Arrangement, Aditya Birla Nuvo Limited (ABNL) has transferred its branded apparel retailing division to Aditya Birla Fashion and Retail Limited (ABFRL). In terms of the Scheme, 26 fully paid-up equity shares of ₹ 10 each of ABFRL has been allotted for every 5 equity shares of ABNL. Accordingly, 17,398,243 shares have been allotted to the Company. The carrying cost of the equity shares of ABNL has been apportioned to equity shares of ABFRL as acquisition cost on the basis of decrease in market value of shares of ABNL as the effect of the said Composite Scheme.

2.12.5 The Company holds 33.33% stake in its Joint Venture, Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (ABEST), Turkey. ABEST has decided not to pursue its project in Turkey. As ABEST plans to return the capital to its shareholders, the Company has reclassified its investment in ABEST from long-term Investment to current investment as per Accounting Standard-13.

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.13 LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Capital Advances for Purchase of Fixed Assets	57.88	71.76
Security Deposits *	78.72	49.14
Loans and Advances to Related Parties (Note 4.5.3)	42.05	54.04
Advance Tax (Net of Provision for Tax)	94.39	-
MAT Credit Entitlement (Includes ₹ 26.77 Crore transferred from ABCIL pursuant to the Scheme of Amalgamation)	520.37	339.78
Other Loans and Advances (include Loan to Employees, etc.)	8.85	11.33
	802.26	526.05

* Includes deposit of ₹ 5.25 Crore (Previous Year ₹ 9.49 Crore included in Short-Term Loans and Advances) 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.

2.13.1 Disclosure as per Regulation 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Section 186 of the Companies Act, 2013

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

₹ in Crores

Name of the Company	Terms	Maximum Balance Outstanding during the		Amount Outstanding	
		Current Year	Previous Year	Current Year	Previous Year
Subsidiaries					
Samruddhi Swastik Trading and Investments Limited	Payable on Call, Interest Rate 7.5%	2.38	0.14	-	-
Aditya Birla Chemicals (Belgium) BUBA	Expenditure to be recovered	0.10	-	0.10	-
Grasim Bhiwani Textiles Limited	₹ 9.11 Crore: Payable in 5 years, Interest Rate 8.75% ₹ 4.50 Crore: Payable on Call, Interest rate 10.5%	19.61	27.90	13.61	22.15
Sun God Trading and Investment Ltd.	-	-	0.07	-	-
Associates					
Aditya Birla Science & Technology Company Private Limited	Payable after 3 years, Interest Rate 8.25% to 10.25%	11.84	11.83	11.83	11.83
		33.93	39.94	25.54	33.98

The Loans have been utilised for meeting their business requirements.

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.14 CURRENT INVESTMENTS (Valued at Lower of Cost and Fair Value)		
Investments in various Mutual Funds 487,014,448 units (Previous Year 395,405,321 units)	953.16	819.20
Investments in Equity Instruments		
Joint Ventures		
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey (Face Value TRY 10, Nos. 1,999,998) (Refer Note 2.12.5)	56.67	-
Other Investments		
Fixed Deposits with Corporates	45.00	45.00
	1,054.83	864.20
2.14.1 Aggregate Book Value of:		
Quoted Investments	979.37	764.20
Unquoted Investments	75.46	100.00
	1,054.83	864.20
2.14.2 Aggregate Market Value of Quoted Investments	1,092.20	850.74
2.14.3 Aggregate Provision for Diminution in Value of Investments	-	-
2.14.4 Current Investments include current portion of Long-Term Investments at Cost as defined in Accounting Standard-13: Accounting for Investments	118.85	95.00

2.15 INVENTORIES

(Valued at Lower of Cost and Net Realisable Value, unless otherwise stated)

₹ in Crores

	As at 31st March, 2016			As at 31st March, 2015		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	568.91	395.37	964.28	542.07	306.22	848.29
Work-in-Progress	33.48	-	33.48	25.57	-	25.57
Finished Goods	323.29	58.16	381.45	292.05	64.34	356.39
Stock-in-Trade	5.61	-	5.61	-	-	-
Stores and Spare Parts	100.27	0.19	100.46	61.51	0.01	61.52
Fuel	88.72	3.57	92.29	100.38	12.95	113.33
By-Products	16.54	-	16.54	16.62	-	16.62
Waste/Scrap (valued at Net Realisable Value)	4.86	-	4.86	4.99	-	4.99
Others (mainly Packing Materials)	10.44	-	10.44	6.44	-	6.44
	1,152.12	457.29	1,609.41	1,049.63	383.52	1,433.15

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
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	11.71	3.81
Doubtful	3.76	1.50
	15.47	5.31
Less: Provision for Doubtful Debts	3.76	1.50
	11.71	3.81
Others		
Considered Good (secured ₹ 4.98 Crore (Previous Year ₹ 4.29 Crore))	980.66	683.68
	992.37	687.49
* Includes amount in respect of which the Company holds Deposits and Letters of Credit/Guarantees from Banks	213.87	235.51
2.17 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
In Current Account	9.74	12.39
In Deposit Account – Original Maturity of 3 Months or Less	2.74	25.00
Cash on Hand	0.23	0.09
	12.71	37.48
Other Bank Balances		
In EEFC Account	11.35	5.07
Earmarked Balance with Banks		
In Government Treasury Savings Account	0.01	0.01
Unclaimed Dividend	10.03	10.37
Bank Deposits * (include ₹ 1.28 Crore of fixed deposit with maturity more than 3 months)	2.00	0.26
	23.39	15.71
	36.10	53.19
* Includes		
Lodged as Security with Government Departments	0.14	0.12
Interest Accrued	0.32	0.01
Unclaimed Fractional Warrants	0.11	-
2.18 SHORT-TERM LOANS AND ADVANCES		
Unsecured (Considered Good)		
Security Deposits	40.16	41.52
Loans and Advances to Related Parties (Note 4.5.3)	18.07	14.54
Balances with Government Authorities	131.00	280.69
Deposits with Body Corporates	-	30.00
Advance Tax (Net of Provision for Tax)	83.66	81.02
Other Short-Term Loans and Advances (include Advances to Suppliers, Recoverables, etc.)	191.98	193.19
	464.87	640.96
2.19 OTHER CURRENT ASSETS		
Interest Accrued on Investments	7.57	4.84
Assets Held for Disposal	3.72	5.29
Others (include Insurance Claims, Export Incentives Receivables, etc.)	25.17	26.00
	36.46	36.13

₹ in Crores

	Current Year	Previous Year
3.1 SALE OF PRODUCTS AND SERVICES (GROSS) (Note 4.4.1)		
Sale of Products	9,666.64	6,817.23
Sale of Services	1.90	1.92
	9,668.54	6,819.15
3.2 OTHER OPERATING REVENUES		
Export Incentives	38.05	33.36
Power Sales	20.39	-
Sundry Balances Written Back (Net)	2.23	1.52
Rent Received	2.92	3.17
Scrap Sales (Net)	30.70	29.83
Other Miscellaneous Income	23.09	12.36
	117.38	80.24
3.3 OTHER INCOME		
Interest Income on:		
Long-Term Investments – Government and Other Securities	11.94	13.04
Bank Accounts and Others	42.43	40.80
Dividend Income from:		
Subsidiary Companies	148.80	148.80
Long-Term Investments – Trade	0.62	0.99
Long-Term Investments – Others	27.53	22.95
Current Investments – Mutual Funds	2.04	9.92
Profit on Sale of:		
Long-Term Investments (Net)	4.68	89.86
Current Investments (Net)	21.03	10.54
Consumer Products Division (Slump Sale)	7.72	-
Fixed Assets (Net)	-	1.75
Exchange Rate Difference (Net)	8.36	-
Other Non-Operating Income	6.62	9.42
	281.77	348.07
3.4 COST OF MATERIALS CONSUMED		
Opening Stock	848.29	817.60
Add : Stock transferred from ABCIL pursuant to the Scheme of Amalgamation	99.88	-
Add : Acquisition of Ganjam Unit of Jayshree Chemicals Ltd.	1.20	-
Add : Purchases and Incidental Expenses	4,406.56	3,658.29
Less : Sales	1.98	5.27
Less : Closing Stock	964.28	848.29
	4,389.67	3,622.33

₹ in Crores

	Current Year	Previous Year
3.4.1 Details of Raw Materials Consumed:		
Dissolving Pulp	2,269.24	2,003.94
Sulphur	207.70	203.40
Pulp Wood	204.83	229.83
Caustic Soda	137.76	171.73
Salt	256.29	121.41
ECH	188.42	122.69
Bisphenol	202.34	156.71
Paraffin	140.29	95.93
Others	782.80	516.69
	4,389.67	3,622.33
3.5 PURCHASES OF STOCK-IN-TRADE		
Chemicals	40.58	21.10
	40.58	21.10
3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	356.39	206.36
Stock-in-Trade	-	0.08
By-Products	16.62	2.26
Work-in-Progress	25.57	20.38
Waste/Scrap	4.99	4.39
Add: Stock transferred from ABCIL pursuant to the Scheme of Amalgamation	30.28	-
Add: Acquisition of Ganjam Unit of Jayshree Chemicals Ltd.	1.25	-
	435.10	233.47
Less: Closing Stock		
Finished Goods	381.45	356.39
Stock-in-Trade	5.61	-
By-Products	16.54	16.62
Work-in-Progress	33.48	25.57
Waste/Scrap	4.86	4.99
	441.94	403.57
(Increase)/Decrease in Stocks	(6.84)	(170.10)
Less: (Increase)/Decrease in Excise Duty on Stocks	(2.84)	(15.98)
Less: Stock of Trial Run Production	-	(89.08)
	(4.00)	(65.04)

₹ in Crores

	Current Year	Previous Year
3.7 EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	539.68	427.86
Contribution to Provident and Other Funds (Note 4.6.2)	33.27	26.53
Staff Welfare Expenses	34.93	25.11
Expenses on Employee Stock Option Scheme (Note 2.1.8)	2.34	2.75
	610.22	482.25
3.7.1 Expenses on Employee Stock Option Scheme are net of recovery from a Subsidiary company against options granted to the employees of the Subsidiary.	0.07	0.11
3.8 OTHER EXPENSES		
3.8.1 Manufacturing Expenses		
Consumption of Stores, Spare Parts and Components, and Incidental Expenses	190.84	116.65
Consumption of Packing Materials	100.29	67.10
Processing Charges	33.61	10.13
Repairs to Buildings	36.41	18.84
Repairs to Machinery	91.89	48.73
Repairs to Other Assets	20.86	14.86
3.8.2 Administration, Selling and Distribution Expenses		
Advertisement	15.37	6.33
Discounts, Sales Promotion and Other Selling Expenses	50.72	32.69
Provision for Bad and Doubtful Debts (Net)	2.84	1.17
Insurance	16.70	10.47
Rent (including Lease Rent) (Note 4.8.6)	13.60	11.88
Rates and Taxes	6.38	3.20
Research Contribution and Expenses	23.23	22.79
Donations (Note 3.11)	0.03	16.91
Directors' Fees	0.53	0.24
Directors' Commission	7.54	4.41
Exchange Rate Difference (Net)	-	5.82
Loss on Sale of Fixed Assets (Net)	3.26	-
Miscellaneous Expenses	202.28	107.60
	816.38	499.82

₹ in Crores

	Current Year	Previous Year
3.8.3 Auditors' Remuneration (excluding Service Tax) Charged to the Statement of Profit and Loss		
Payments to Statutory Auditors:		
Audit Fee	0.79	0.58
Tax Audit Fee	0.10	0.05
Limited Review Fee	0.46	0.26
Fees for Other Services	0.22	0.12
Reimbursement of Expenses	0.03	0.03
Payments to Branch Auditors:		
Audit Fee	-	0.01
Tax Audit Fee * (Previous Year ₹ 35,000)	-	*
Fees for Other Services ** (Previous Year ₹ 20,000)	-	**
Reimbursement of Expenses *** (Previous Year ₹ 24,394)	-	***
Payments to Cost Auditors:		
Audit Fee	0.02	0.02
Fees for Other Services # ₹ 16,500 (Previous Year ₹ 17,500)	#	#
Reimbursement of Expenses	0.01	0.01
3.9 FINANCE COSTS		
Interest Expenses #	141.42	63.62
Other Borrowing Costs	4.69	-
Exchange (Gain)/Loss on Foreign Currency Borrowings (Net)	1.66	1.99
	147.77	65.61
Less: Capitalised	0.37	26.28
	147.40	39.33
# Net of Interest Subsidy from Government	45.22	52.74
3.10 Revenue Expenditure on Research and Development included in different heads of expenses in the Statement of Profit and Loss	38.00	29.96
3.11 During the previous year, Donations include contribution of ₹ 17 Crore to General Electoral Trust ('the Trust'), set up by the Company (along with other group companies). The Trust, as per its governing charter, uses such funds for contribution for Political purposes, as may be decided by the Board of Independent Trustees of the Trust. During the year, the Company has received refund of ₹ 0.21 Crore (Previous Year ₹ 0.09 Crore) from General Electoral Trust, being undistributed balance related to earlier years.		
3.12 EARNINGS PER SHARE (EPS)		
Net Profit for the Year Attributable to Equity Shareholders (₹ in Crores)	953.27	529.90
Basic EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	93,340,046	91,856,386
Basic EPS (₹)	102.13	57.69
Diluted EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	93,340,046	91,856,386
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)	85,268	97,471
Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)	93,425,314	91,953,857
Diluted EPS (₹)	102.04	57.63

₹ in Crores

	Current Year	Previous Year
4.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF		
4.1.1 Claims/Disputed Liabilities not acknowledged as Debts:		
(a) Customs Duty	10.96	11.02
(b) Sales Tax/Purchases Tax/VAT	0.75	0.27
(c) Excise Duty/Cenvat Credit/Service Tax	66.45	86.25
(d) Water Cess	2.33	-
(e) Income Tax	1.44	156.88
(f) Various claims in respect of disputed liabilities of discontinued business in earlier years	26.58	34.26
(g) Annual minimum guarantee charges and fuel surcharge demanded by State Electricity Board	65.70	-
(h) Others	40.69	32.98
4.1.2 Out of the 4.1.1 above, major disputes challenged/appealed by the Company are:		
(a) Annual minimum guarantee charges and fuel surcharge demanded by State Electricity Board	65.70	-
(b) Transfer of Cenvat balance between two divisions after excise registration merger	24.52	21.97
(c) Excise Duty demanded on freight recovered from customers	17.69	-
(d) Customs classification dispute on import of coal	9.77	9.29
(e) Penalty for not utilising the land within the time limit prescribed as per the sanction document, utilisation of which is delayed due to non-fulfilment of condition by Gujarat Industrial Development Corporation	9.04	7.93
(f) Excise Duty valuation disputed alleging non-inclusion of profit margin	8.74	-
(g) Claims arising from disputes of vendors/contractors	4.93	7.60
(h) Excise Duty on clearance of waste/scrap of capital goods	4.02	-
(i) Higher lease rent demanded by Kandla Port Trust	3.82	-
(j) Renewable energy purchase obligation	3.67	4.75
(k) Parallel Operation Charges demanded by State Electricity Board	3.41	-
(l) Water Charges rate difference dispute	2.33	-
(m) Income Tax demand raised on completion of assessment for the Financial Year 2009-10	-	156.88
(n) Excise Duty demanded against Cenvat credit availed in respect of electricity not used for manufacturing	-	58.91
Cash outflows for the above are determinable only on receipt of judgements pending with various authorities/Courts/Tribunals, etc.		
4.1.3 Other Money for which the Company is contingently liable:		
(a) Customs Duty Liability (Net of Cenvat credit), which may arise if obligation for exports is not fulfilled against import of raw materials and machinery	0.81	12.41
(b) Letter of Undertaking-cum-Indemnity given to Bank for finance provided to Subsidiary, Aditya Birla Chemical (Belgium) BVBA	3.77	-
– Amount Outstanding against above	2.14	-

₹ in Crores

	Current Year	Previous Year
4.2 CAPITAL COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided {Net of Advances paid of ₹ 57.88 Crore (Previous Year ₹ 71.76 Crore)}	129.83	154.87

4.3 Details of the 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%)	China	Current Year	188.24	157.53	267.24	265.98	-
		Previous Year	198.28	169.24	263.49	286.70	-
Birla Lao Pulp & Plantations Company Limited (40%)	Laos	Current Year	112.07	0.14	0.01	1.35	-
		Previous Year	102.88	0.23	0.08	1.42	-
AV Cell Inc. (45%)	Canada	Current Year	346.03	121.96	303.06	265.43	-
		Previous Year	319.26	128.36	304.99	312.71	-
AV Nackawic Inc. (45%)	Canada	Current Year	471.60	306.56	421.69	405.13	1.79
		Previous Year	446.86	304.53	416.15	457.81	1.72
Bhubaneswari Coal Mining Limited (26%)	India	Current Year	93.32	32.39	98.85	69.27	0.18
		Previous Year	72.34	30.73	83.92	66.94	0.34
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (33.33%)	Turkey	Current Year	56.04	0.73	6.12	0.09	-
		Previous Year	51.60	0.10	0.88	0.15	-
AV Terrace Bay Inc. (40%)	Canada	Current Year	232.23	247.73	562.32	575.00	-
		Previous Year	224.40	232.43	516.30	542.79	-
Aditya Group AB (33.33%)	Sweden	Current Year	812.61	348.23	539.90	515.97	-
		Previous Year	729.44	366.13	574.47	615.65	-

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, expenses, assets and liabilities, which are not allocated to any business segment.

Information about Business Segments for the Current Year:

₹ in Crores

	Fibre and Pulp	Chemicals	Others	Eliminations	Total (Company)
REVENUE					
Gross Sales (External)	6,460.26	3,114.22	94.06	-	9,668.54
Gross Sales (Inter-segment)	8.21	607.27	-	(615.48)	-
Total Gross Sales (Note 3.1)	6,468.47	3,721.49	94.06	(615.48)	9,668.54
Other Income (including Other Operating Revenues)	99.61	58.80	2.01	(7.06)	153.36
Unallocated Corporate Other Income	-	-	-	-	245.79
Total Other Income	99.61	58.80	2.01	(7.06)	399.15
Total Revenue	6,568.08	3,780.29	96.07	(622.54)	10,067.69
RESULTS					
Segment Results (PBIT)	695.29	545.60	6.79	-	1,247.68
Unallocated Corporate Income/(Expenses)					165.65
Finance Costs					(147.40)
Profit Before Exceptional Item and Tax					1,265.93
Exceptional Item					(29.19)
Profit Before Tax					1,236.74
Current Tax					(231.33)
MAT Credit					153.82
Provision for Tax of Earlier Year's Written Back					7.91
Deferred Tax					(213.87)
Profit After Tax					953.27
OTHER INFORMATION					
Segment Assets	5,817.91	4,367.74	51.29	-	10,236.94
Unallocated Corporate Assets					6,745.64
Total Assets					16,982.58
Segment Liabilities	719.71	546.57	12.90	-	1,279.18
Unallocated Corporate Liabilities					3,332.89
Total Liabilities					4,612.07
Capital Expenditure	179.54	478.55	1.90	-	659.99
Unallocated Corporate Capital Expenditure					34.78
Total Capital Expenditure					694.77
Depreciation and Amortisation	228.89	201.52	0.69	-	431.10
Unallocated Corporate Depreciation and Amortisation					16.04
Total Depreciation and Amortisation					447.14
Significant Non-Cash Expenses other than Depreciation and Amortisation					31.53

Information about Business Segments for the Previous Year:

₹ in Crores

	Fibre and Pulp	Chemicals	Others	Eliminations	Total (Company)
REVENUE					
Gross Sales (External)	5,332.16	1,399.58	87.41	-	6,819.15
Gross Sales (Inter-segment)	13.73	455.84	-	(469.57)	-
Total Gross Sales (Note 3.1)	5,345.89	1,855.42	87.41	(469.57)	6,819.15
Other Income (including Other Operating Revenues)	88.96	28.77	1.25	(5.99)	112.99
Unallocated Corporate Other Income	-	-	-	-	315.32
Total Other Income	88.96	28.77	1.25	(5.99)	428.31
Total Revenue	5,434.85	1,884.19	88.66	(475.56)	7,247.46
RESULTS					
Segment Results (PBIT)	304.57	197.62	3.66	-	505.85
Unallocated Corporate Income/(Expenses)					244.64
Finance Costs					(39.33)
Profit Before Exceptional Item and Tax					711.16
Exceptional Item					(26.24)
Profit Before Tax					684.92
Current Tax					(109.66)
MAT Credit					109.66
Provision for Tax of Earlier Year's Written Back					2.38
Deferred Tax					(157.40)
Profit After Tax					529.90
OTHER INFORMATION					
Segment Assets	5,980.33	2,147.95	45.91	-	8,174.19
Unallocated Corporate Assets					6,191.02
Total Assets					14,365.21
Segment Liabilities	698.20	226.35	14.64	-	939.19
Unallocated Corporate Liabilities					2,243.10
Total Liabilities					3,182.29
Capital Expenditure	339.39	94.01	1.30	-	434.70
Unallocated Corporate Capital Expenditure					71.70
Total Capital Expenditure					506.40
Depreciation and Amortisation	160.07	94.22	1.52	-	255.81
Unallocated Corporate Depreciation and Amortisation					6.74
Total Depreciation and Amortisation					262.55
Significant Non-Cash Expenses other than Depreciation and Amortisation					28.99

4.4.2 Secondary Segment Reporting (by Geographical Segment):

The Company's operating facilities are located in India.

₹ in Crores

	Current Year	Previous Year
Segment Revenue (Gross Sales)		
India	7,381.49	5,252.69
Rest of the World	2,287.05	1,566.46
Total	9,668.54	6,819.15
Segment Assets		
India	9,914.64	7,898.84
Rest of the World	322.30	275.35
Total	10,236.94	8,174.19
Capital Expenditure		
India	659.99	434.70
Rest of the World	-	-
Total	659.99	434.70

4.5 RELATED PARTY DISCLOSURE

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 Chemcial (Belgium) BVBA	Wholly Owned Subsidiary
UltraTech Cement Limited	Subsidiary
UltraTech Cement Lanka Private Limited, Sri Lanka	Subsidiary's Subsidiary
Dakshin Cements Limited	Subsidiary's Subsidiary
Harish Cement Limited	Subsidiary's Subsidiary
UltraTech Cement Middle East Investments Limited, Dubai, UAE	Subsidiary's Subsidiary
Star Cement Co. LLC, Dubai, UAE	Subsidiary's Subsidiary
Star Cement Co. LLC, RAK, UAE	Subsidiary's Subsidiary
Al Nakhla Crusher LLC, Fujairah, UAE	Subsidiary's Subsidiary
Arabian Cement Industry LLC, Abu Dhabi, UAE	Subsidiary's Subsidiary
Arabian Gulf Cement Co. WLL, Bahrain	Subsidiary's Subsidiary
Emirates Power Company Limited, Bangladesh	Subsidiary's Subsidiary
Emirates Cement Bangladesh Limited, Bangladesh	Subsidiary's Subsidiary
UltraTech Cement SA (PTY), South Africa	Subsidiary's Subsidiary
PT UltraTech Mining Indonesia, Indonesia	Subsidiary's Subsidiary
UltraTech Cement Mozambique Limitada, Mozambique	Subsidiary's Subsidiary
PT UltraTech Investments Indonesia, Indonesia	Subsidiary's Subsidiary
PT UltraTech Cement, Indonesia	Subsidiary's Subsidiary
Gotan Lime Stone Khanij Udyog Private Limited	Subsidiary's Subsidiary
Awam Minerals LLC, Oman (w.e.f. 25th April, 2014)	Subsidiary's Subsidiary
PT UltraTech Mining Sumatera (w.e.f. 14th October, 2014)	Subsidiary's Subsidiary
Bhagwati Lime Stone Company Private Limited	Subsidiary's Subsidiary

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 (up to 31st March, 2016)	Key Management Personnel (KMP)
Shri Adesh Gupta, Whole-time Director & CFO (up to 30th June, 2015)	Key Management Personnel (KMP)
Shri Sushil Agarwal, Whole-time Director & CFO (w.e.f. 1st July, 2015)	Key Management Personnel (KMP)
Smt. Usha Gupta (up to 30th June, 2015)	Relative of KMP (Wife of Shri Adesh Gupta)
Smt. Anita Agarwal (w.e.f. 1st July, 2015)	Relative of KMP (Wife of Shri Sushil Agarwal)

* with effect from 1st April, 2016, these companies have been merged into "AV Group NB INC."

4.5.3 Disclosure of Related Parties Transactions:

		₹ in Crores
Nature of Transactions	Current Year	Previous Year
Sale of Products and Services:		
Grasim Bhiwani Textiles Limited	33.44	34.48
UltraTech Cement Limited	0.07	0.06
Birla Jingwei Fibres Company Limited	42.86	106.97
Aditya Birla Chemical (Belgium) BVBA	1.30	-
Total	77.67	141.51
Interest and Other Operating Income:		
Grasim Bhiwani Textiles Limited	3.05	2.22
UltraTech Cement Limited	3.03	2.76
AV Cell, Inc.	2.04	1.98
Aditya Birla Science & Technology Company Private Limited	1.10	1.09
Sun God Trading and Investments Limited * ₹ 14,130	-	*
Samruddhi Swastik Trading and Investments Limited * ₹ 3,837	*	-
Idea Cellular Limited	2.85	0.02
Total	12.07	8.07
Dividend Received:		
UltraTech Cement Limited	148.80	148.80
Idea Cellular Limited	10.26	6.84
Sun God Trading and Investments Limited (# Previous Year ₹ 1,500)	-	#
Total	159.06	155.64

₹ in Crores

Nature of Transactions	Current Year	Previous Year
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)	0.30	1.20
Purchases of Goods/Payment of Other Services (Net of Cenvat Credit, if available):		
Grasim Bhiwani Textiles Limited	0.14	0.37
UltraTech Cement Limited	2.95	2.30
AV Cell, Inc.	291.88	249.38
AV Nackawic, Inc.	341.34	256.04
Aditya Group AB	447.94	398.48
Aditya Birla Science & Technology Company Private Limited	26.21	22.87
Idea Cellular Limited	1.66	0.89
Smt. Usha Gupta	0.01	0.04
Total	1,112.13	930.37
Managerial Remuneration Paid:		
Shri K. K. Maheshwari, Managing Director	9.38	8.05
Shri Adesh Gupta, Whole-time Director & CFO [§]	4.27	2.85
Shri Sushil Agarwal, Whole-time Director & CFO	1.50	-
Total	15.15	10.90
Finance Provided:		
Samruddhi Swastik Trading and Investments Limited	2.38	0.16
Grasim Bhiwani Textiles Limited	74.50	73.60
Sun God Trading and Investments Limited	-	0.07
Total	76.88	73.83
Repayment against Finance Provided:		
Grasim Bhiwani Textiles Limited	83.04	64.63
Samruddhi Swastik Trading and Investments Limited	2.38	0.16
Sun God Trading and Investments Limited	-	0.07
Total	85.42	64.86
Investment in Equity Shares/Debentures/Preference Shares:		
Aditya Group AB	-	49.25
Birla Lao Pulp & Plantations Company Limited	3.94	5.13
Sun God Trading and Investments Limited * ₹ (10,000)	-	*
AV Terrace Bay Inc.	-	11.01
Total	3.94	65.39

[§] Includes ₹ 1.32 Crore paid by Gratuity Trust of the Company during the current year

		₹ in Crores
Nature of Transactions	Current Year	Previous Year
Purchases of Tangible/Intangible Assets		
Aditya Birla Science & Technology Company Private Limited	-	0.14
UltraTech Cement Limited	3.26	6.74
Sun God Trading and Investments Limited	0.07	-
Total	3.33	6.88
Outstanding Balances:		
Trade Payables:		
Grasim Bhiwani Textiles Limited	-	0.05
UltraTech Cement Limited	0.05	0.02
AV Cell, Inc.	23.15	34.67
AV Nackawic, Inc.	35.57	41.80
Aditya Group AB	43.82	31.04
Aditya Birla Science & Technology Company Private Limited	-	10.22
Total	102.59	117.80
Other Current Liabilities:		
Grasim Bhiwani Textiles Limited	0.02	0.75
UltraTech Cement Limited	0.08	0.23
Aditya Birla Science & Technology Company Private Limited	-	0.25
Total	0.10	1.23
Trade Receivables:		
UltraTech Cement Limited	0.14	0.07
Grasim Bhiwani Textiles Limited	5.56	4.71
Aditya Birla Chemical (Belgium) BVBA	1.13	-
Birla Jingwei Fibres Company Limited	13.92	9.57
Idea Cellular Limited	2.32	-
Total	23.07	14.35
Long-Term Loans and Advances:		
Grasim Bhiwani Textiles Limited	6.07	9.11
AV Cell, Inc.	34.58	33.10
Aditya Birla Science & Technology Company Private Limited	1.40	11.83
Total	42.05	54.04
Short-Term Loans and Advances:		
Grasim Bhiwani Textiles Limited	7.54	13.04
Aditya Birla Science & Technology Company Private Limited	10.43	-
Aditya Birla Chemical (Belgium) BVBA	0.10	-
Smt. Usha Gupta	-	1.50
Total	18.07	14.54

4.6 RETIREMENT BENEFITS

4.6.1 Defined Benefit Plans as per Actuarial Valuation:

4.6.1.1 Gratuity and Pension:

₹ in Crores

	Gratuity (Funded)		Pension	
	Current Year	Previous Year	Current Year	Previous Year
(i) Reconciliation of Present Value of the Obligation:				
Opening Defined Benefit Obligations	185.46	155.95	8.88	8.85
Adjustments of:				
Current Service Cost	11.33	7.89	-	-
Interest Cost	16.35	13.64	0.66	0.76
Actuarial Loss/(Gain)	(0.62)	25.72	0.14	0.45
Liabilities assumed on Acquisition/(Settled on Divestiture)*	28.10	-	-	-
Benefits Paid	(21.86)	(17.74)	(1.22)	(1.18)
Closing Defined Benefit Obligations	218.76	185.46	8.46	8.88
(ii) Reconciliation of Fair Value of the Plan Assets:				
Opening Fair Value of the Plan Assets	185.46	158.43	-	-
Adjustments of:				
Expected Return on Plan Assets	13.82	11.12	-	-
Actuarial Gain/(Loss)	3.37	8.64	-	-
Contributions by the Employer	14.40	25.01	1.22	1.18
Assets acquired on Acquisition/(Distributed on Divestiture)*	10.63	-	-	-
Benefits Paid	(21.86)	(17.74)	(1.22)	(1.18)
Closing Fair Value of the Plan Assets	205.82	185.46	-	-
(iii) Net Liabilities/(Assets) recognised in the Balance Sheet:				
Present Value of the Defined Benefit Obligations at the end of the period	218.76	185.46	8.46	8.88
Fair Value of the Plan Assets	205.82	185.46	-	-
Net Liabilities/(Assets) recognised in the Balance Sheet	12.94	-	8.46	8.88
(iv) Amount recognised in Salaries and Wages under Employee Benefits Expenses in the Statement of Profit and Loss:				
Current Service Cost	11.33	7.89	-	-
Interest on Defined Benefit Obligations	16.35	13.64	0.66	0.76
Expected Return on Plan Assets	(13.82)	(11.12)	-	-
Net Actuarial Loss/(Gain) recognised during the year	(3.99)	17.09	0.14	0.45
Net Cost	9.87	27.50	0.80	1.21
Capitalised as Pre-Operative Expenses in respect of Projects and other adjustments	1.14	(1.03)	-	-
Net Charge to the Statement of Profit and Loss	11.01	26.47	0.80	1.21

₹ in Crores

		Gratuity (Funded)		Pension	
		Current Year	Previous Year	Current Year	Previous Year
(v)	Actual Return on Plan Assets:				
	Expected Return on Plan Assets	13.82	11.12	N.A.	N.A.
	Actuarial Gain/(Loss) on Plan Assets	3.37	8.64	N.A.	N.A.
	Actual Return on Plan Assets	17.19	19.76	N.A.	N.A.
(vi)	Investment Details of the Plan Assets:				
	Government of India Securities	5%	11%	N.A.	N.A.
	Corporate Bonds	6%	9%	N.A.	N.A.
	Insurer Managed Fund	79%	75%	N.A.	N.A.
	Others	10%	5%	N.A.	N.A.
	Total	100%	100%	N.A.	N.A.
(vii)	Principal Actuarial Assumptions at the Balance Sheet Date:				
	Discount Rate	8.06%	7.89%	8.06%	7.89%
	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

* Includes Liability of ₹ 27.52 Crore and Assets of ₹ 10.06 Crore, respectively, on account of amalgamation of Aditya Birla Chemicals (India) Limited with the Company.

(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 the 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 Crores				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Obligations	218.76	185.46	155.95	156.77	140.21
Fair Value of the Plan Assets	205.82	185.46	158.43	156.76	138.98
Surplus/(Deficit)	(12.94)	-	2.48	(0.01)	(1.23)
Expected Adjustments on Plan Liabilities	0.61	9.72	1.52	7.82	13.45
Expected Adjustments on Plan Assets	3.37	8.64	2.04	5.19	(0.14)

(b) **Pension Liabilities:**

	2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Obligations	8.46	8.88	8.85	9.46	9.16
Fair Value of the Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(8.46)	(8.88)	(8.85)	(9.46)	(9.16)
Expected Adjustments on Plan Liabilities	0.19	(0.01)	0.27	0.36	0.11

(xiii) The best estimate of the expected Contribution for the next year amounts to ₹ 15 Crore (Previous Year ₹ 10 Crore).

4.6.1.2 Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 2.01 Crore (Previous Year ₹ 11.91 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" ₹ 33.27 Crore (Previous Year ₹ 26.53 Crore).

4.7 DISCLOSURE OF DERIVATIVE INSTRUMENTS

4.7.1 Derivatives for Hedging Currency and Interest Rate, Outstanding are as under:

		In Crores			
	Purpose	Foreign Currency	Amount in Foreign Currency		Cross Currency
			Current Year	Previous Year	
Forward Contracts		USD	5.13	4.10	INR
	Import (Payables)	AUD	0.02	-	USD
		JPY	-	2.60	USD
	Export (Receivables)	EUR	1.72	1.88	USD
		USD	0.01	0.06	INR
		CNH	1.00	0.82	USD

4.7.2 Un-hedged Foreign Currency Exposure:

		In Crores			
	Foreign Currency	Amount in Foreign Currency		Equivalent ₹	
		Current Year	Previous Year	Current Year	Previous Year
Exports (Receivables)	USD	2.67	2.78	177.16	174.02
	CNH	0.35	0.44	2.15	2.73
Bank Balances	USD	0.17	0.08	11.35	5.07
Loans (Receivables)	CAD	0.68	0.68	34.58	33.10

4.8 ADDITIONAL INFORMATION DETAILS

4.8.1 Value of Imports (on CIF basis):

	₹ in Crores	
	Current Year	Previous Year
(i) Raw Materials	2,809.86	2,536.98
(ii) Components and Spare Parts	18.08	18.97
(iii) Capital Goods	83.05	91.75
(iv) Fuels	109.25	225.52

4.8.2 Value of Imported and Indigenous Raw Materials, and Stores and Spares Consumed:

	Current Year		Previous Year	
	Value ₹ in Crore	%	Value ₹ in Crore	%
Raw Materials*:				
Imported	2,958.59	67%	2,508.96	65%
Indigenous	1,431.08	33%	1,326.26	35%
Total	4,389.67	100%	3,835.22	100%
Stores and Spares*:				
Imported	21.40	11%	15.93	13%
Indigenous	169.44	89%	109.25	87%
Total	190.84	100%	125.18	100%

* Include consumption in Pre-Operative Expenses (Note 2.11.8)

4.8.3 Expenditure in Foreign Currency on accrual basis (Gross):

	₹ in Crores	
	Current Year	Previous Year
Technical Know-how and Services	1.29	1.40
Professional and Consultancy Fees	4.57	4.15
Finance Cost on Packing Credit Foreign Currency Loans	0.27	0.10
Other	10.56	8.60

4.8.4 Earnings in Foreign Exchange on accrual basis (Gross):

Export of Goods on FOB basis	2,214.89	1,605.41 *
Technical Know-how and Service Charges	-	0.13
Interest and Dividend	2.75	3.05

* Includes sales of trial run production (Note 2.11.8)

4.8.5 Details relating to Micro, Small and Medium Enterprises:

	₹ in Crores	
	Current Year	Previous Year
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	4.59	0.91
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

4.8.6 Assets taken on Operating Lease:

1	Operating Lease payments recognised in the Statement of Profit and Loss	13.60	11.88
2	The total of future minimum lease payments under non-cancellable operating leases are as follows :		
	For a period not later than one year	5.60	1.64
	For a period later than one year and not later than five years	6.52	5.39
	For a period later than five years	0.17	-
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		

4.8.7 Amount Remitted during the year in Foreign Currency on account of Dividend:

1	Equity Dividend for the year ended	31-03-2015	31-03-2014
2	Number of Non-Resident Equity Shareholders	132	133
3	Number of Shares held by them	2,638,861	2,639,123
4	Amount Remitted as Dividend (₹ in Crores)	4.75	5.54

4.8.8 The Company has spent ₹ 15.05 Crore on Corporate Social Responsibility projects/initiatives during the year including ₹ 1.17 Crore towards capital expenditure. (Previous Year ₹ 16.71 Crore including ₹ 0.87 Crore towards capital expenditure).

- 4.9.** Previous Year (Year ended 31st March, 2015) figures have been regrouped/reclassified, wherever necessary, to correspond with the current year (31st March, 2016) classification/disclosure.
- 4.10.** 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 Note '1' to '4'

For GRASIM INDUSTRIES LIMITED

Dilip Gaur
Managing Director

R. C. Bhargava
M. L. Apte
Directors

Sushil Agarwal
Whole-time Director &
Chief Financial Officer

Mumbai
Dated: 7th May, 2016

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 31st March, 2016, 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 prescribed under Section 133 of the Act, as applicable. 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 judgements 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 judgement, 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. 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-paragraphs (a), (b) and (c) 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 31st March, 2016, and their consolidated profit and loss and their consolidated cash flows for the year ended on that date.

Other Matters

- a) The financial statements of seven subsidiaries as considered in the consolidated financial statements, which reflect total assets of ₹ 660.22 Crore as at 31st March, 2016, total revenues of ₹ 424.40 Crore and net cash inflows amounting to ₹ 7.64 Crore 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 ₹ 146.29 Crore for the year ended 31st March, 2016 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) The financial statements of a subsidiary as considered in the consolidated financial statements, which reflect total assets of ₹ 37,126.60 Crore as at 31st March, 2016, total revenues of ₹ 24,060.82 Crore and net cash inflows amounting to ₹ 2,047.05 Crore for the year ended on that date, have been audited jointly by M/s. G.P. Kapadia & Co., Chartered Accountants, one of the joint auditors of the Company and other auditors. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on the report of the said auditors.

- c) We did not audit the financial statements of fifteen subsidiaries, and seven jointly controlled entities, whose financial statements reflect total assets of ₹ 5,392.00 Crore as at 31st March, 2016, total revenues of ₹ 3,449.89 Crore and net cash outflows amounting to ₹ 50.38 Crore 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 loss of ₹ 0.83 Crore for the year ended 31st March, 2016, 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 auditors whose reports 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 subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors.
- d) We did not audit the financial statements of two subsidiaries and three jointly controlled entities, whose financial statements reflect total assets of ₹ 89.07 Crore as at 31st March, 2016, total revenues of ₹ 1.12 Crore and net cash outflows amounting to ₹ 5.48 Crore 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 subsidiaries 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 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 prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 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 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A" which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness on internal financial controls over financial reporting of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 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's Registration No. 117366W/W-100018)

Saira Nainar
Partner
Membership No. 40081

Place: Mumbai
Date: 7th May, 2016

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

Atul B. Desai
Partner
Membership No. 30850

ANNEXURE "A"

to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report dated 7th May, 2016)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of GRASIM INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on "the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to eight subsidiary companies, two associate companies and one jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Saira Nainar
Partner
Membership No. 40081

Atul B. Desai
Partner
Membership No. 30850

Place: Mumbai
Date: 7th May, 2016

CONSOLIDATED BALANCE SHEET

as at 31st March, 2016

₹ in Crores

	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital Equity	2.1	93.36	91.87
Share Capital Other than Equity	2.2	57.98	59.17
Reserves and Surplus	2.3	25,679.34	22,988.71
		25,830.68	23,139.75
Minority Interest			
		8,484.47	7,681.79
Non-Current Liabilities			
Long-Term Borrowings	2.4	5,700.70	6,384.32
Deferred Tax Liabilities (Net)	2.5	4,238.45	3,429.06
Other Long-Term Liabilities	2.6	40.54	38.97
Long-Term Provisions	2.7	285.05	257.61
		10,264.74	10,109.96
Current Liabilities			
Short-Term Borrowings	2.8	4,031.78	3,071.39
Trade Payables	2.9	2,502.55	2,352.24
Other Current Liabilities	2.10	7,234.91	6,353.22
Short-Term Provisions	2.11	1,286.14	1,343.22
		15,055.38	13,120.07
TOTAL		59,635.27	54,051.57
ASSETS			
Non-Current Assets			
Fixed Assets	2.12		
Tangible Assets		32,039.15	28,457.32
Intangible Assets		130.92	87.44
Capital Work-in-Progress		1,834.56	2,750.11
Intangible Assets Under Development		1.08	4.84
		34,005.71	31,299.71
Goodwill on Consolidation	2.13	3,373.60	3,283.40
Non-Current Investments	2.14	4,585.89	3,838.97
Deferred Tax Assets (Net)	2.15	12.87	18.76
Long-Term Loans and Advances	2.16	2,620.76	2,404.68
Other Non-Current Assets	2.17	18.79	21.98
		44,617.62	40,867.50
Current Assets			
Current Investments	2.18	3,068.80	3,416.32
Inventories	2.19	4,628.03	4,788.45
Trade Receivables	2.20	3,154.63	2,647.37
Cash and Cash Equivalents	2.21	2,424.73	439.71
Short-Term Loans and Advances	2.22	1,670.05	1,828.11
Other Current Assets	2.23	71.41	64.11
		15,017.65	13,184.07
TOTAL		59,635.27	54,051.57
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

Dilip Gaur
Managing Director

R. C. Bhargava
M. L. Apte
Directors

Saira Nainar
Partner

Atul B. Desai
Partner

Sushil Agarwal
Whole-time Director &
Chief Financial Officer

Mumbai
Dated: 7th May, 2016

Hutokshi Wadia
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2016

₹ in Crores

	Note	Year Ended 31st March, 2016 (Current Year)	Year Ended 31st March, 2015 (Previous Year)
REVENUE			
Sale of Products and Services (Gross)	3.1	40,256.90	36,058.15
Other Operating Revenues	3.2	419.18	409.71
		40,676.08	36,467.86
Less: Excise Duty		4,039.20	3,629.50
Revenue from Operations (Net)		36,636.88	32,838.36
Other Income	3.3	336.36	538.96
Total Revenue (I)		36,973.24	33,377.32
EXPENSES			
Cost of Materials Consumed	3.4	8,879.61	8,030.39
Purchases of Stock-in-Trade	3.5	591.43	556.51
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.6	31.25	(159.61)
Employee Benefits Expenses	3.7	2,407.19	2,141.16
Power and Fuel		6,217.06	6,452.71
Freight and Handling Expenses	3.8	6,375.21	5,757.80
Other Expenses	3.9	5,500.44	5,052.01
		30,002.19	27,830.97
Less: Captive Consumption [Net of Excise Duty of ₹ 3.41 Crore (Previous Year ₹ 4.24 Crore)]		54.44	137.07
Total Expenses (II)		29,947.75	27,693.90
Profit Before Interest, Depreciation/Amortisation and Tax (PBITD) (I) – (II)		7,025.49	5,683.42
Finance Costs	3.10	751.34	667.39
Depreciation and Amortisation		1,910.96	1,563.22
Profit Before Exceptional Item and Tax		4,363.19	3,452.81
Exceptional Item	3.11	(27.85)	(9.46)
Profit Before Tax		4,335.34	3,443.35
Tax Expense			
Current Tax		877.17	628.78
MAT Credit		(330.68)	(598.95)
Provision for Tax of Earlier Year's Written Back		(7.51)	(2.28)
Deferred Tax		672.15	988.37
Total Tax Expenses		1,211.13	1,015.92
Profit After Tax		3,124.21	2,427.43
Add: Share in Profit of Associates		145.46	154.23
Less: Minority Interest		910.52	837.86
Profit for the Year		2,359.15	1,743.80
Earnings Per Equity Share (Face Value ₹ 10 each)	3.13		
Basic (₹)		252.75	189.84
Diluted (₹)		252.52	189.64
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

Dilip Gaur
Managing Director

R. C. Bhargava
M. L. Apte
Directors

Saira Nainar
Partner

Atul B. Desai
Partner

Sushil Agarwal
Whole-time Director &
Chief Financial Officer

Mumbai
Dated: 7th May, 2016

Hutokshi Wadia
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2016

₹ in Crores

	Current Year	Previous Year
A. Cash Flow from Operating Activities		
a. Profit Before Tax	4,335.34	3,443.35
Adjustments for:		
Depreciation and Amortisation	1,910.96	1,563.22
Employee Stock Option Expenses	7.79	7.76
Finance Costs	751.34	667.39
Interest Income	(93.52)	(61.14)
Dividend Income	(20.09)	(28.94)
Provision for Bad and Doubtful Debts and Advances/(Written Back) (Net)	31.71	1.51
Provision for Diminution in Value of Investments	-	1.87
Provision for Diminution in respect of Joint Venture (Note 3.11)	27.85	9.46
Non-Cash Items	(11.07)	16.10
(Profit)/Loss on Sale of Fixed Assets (Net)	0.54	(1.74)
Profit on Sale of Investments (Net)	(173.55)	(401.60)
Profit on Sale of Consumer Products Division (Net) {Slump Sale}	(7.72)	-
b. Operating Profit Before Working Capital Changes	6,759.58	5,217.24
Adjustments for:		
Trade and Other Receivables	(174.57)	(344.63)
Inventories	337.00	(533.31)
Trade Payables and Other Liabilities	366.08	561.43
c. Cash Generated from Operations	7,288.09	4,900.73
Direct Taxes Paid (Net of Refund)	(1,186.62)	(306.59)
Net Cash from Operating Activities	6,101.47	4,594.14
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets (including Capital Advances, Net of Capital Grants)	(2,772.27)	(3,299.19)
Sale of Fixed Assets	29.68	19.78
Sale of Long-Term Investments	11.56	-
Purchase of Investments in Subsidiaries	(12.72)	(20.56)
Investments in Joint Ventures	-	(32.83)
Sale/(Purchase) of Mutual Funds, Bonds and Certificates of Deposits (Net)	(108.90)	1,035.36
Expenditure for Cost of Assets Transferred from Samruddhi Cement Limited to UltraTech Cement Limited, pursuant to the Scheme of Arrangement	-	(25.00)
(Investment)/Redemption in Bank Deposits (having original maturity of more than three months)	110.61	(107.49)
Loans and Advances to other Companies, including ICDs	30.00	(28.47)
Sale of Consumer Products Division (Net) {Slump Sale}	9.53	-
Interest Received	88.42	59.10
Dividend Received	20.00	28.94
Net Cash Used in Investing Activities	(2,594.09)	(2,370.36)

₹ in Crores

	Current Year	Previous Year
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital under ESOS	7.92	5.66
Proceeds from Issue 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	0.89	1.75
Proceeds from Long-Term Borrowings	2,827.03	1,264.42
Repayments of Long-Term Borrowings	(3,826.29)	(514.50)
Proceeds/(Repayment) of Short-Term Borrowings	632.08	1,578.56
Repayment of Borrowings transferred from Jayshree Cement Corporation Limited (JCCL), pursuant to the Scheme of Arrangement	-	(3,647.08)
Interest Paid (Net of Subsidy)	(790.47)	(690.44)
Dividends Paid	(269.26)	(289.80)
Corporate Dividend Tax	(52.15)	(49.43)
Net Cash From/(Used in) Financing Activities	(1,470.25)	(2,277.98)
D. Net Increase/(Decrease) in Cash and Cash Equivalents	2,037.13	(54.20)
Cash and Cash Equivalents at the beginning of the year	156.97	199.46
Add:		
Effect of Exchange Rate on Consolidation of Foreign Subsidiaries/Joint Ventures	51.25	12.29
Cash and Cash Equivalents received on Amalgamation/Acquisition (Note 1A)	4.06	-
Effect of Dilution of Stake in Joint Ventures {Note 4.3.6}	-	(0.58)
Cash and Cash Equivalents at the end of the year	2,249.41	156.97
Cash and Bank Balances as per Note 2.21	2,424.73	439.71
Less: Fixed Deposits not considered as Cash and Cash Equivalents	(175.32)	(282.74)
Cash and Cash Equivalents at the End of the Year	2,249.41	156.97

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 specified under Section 133 of the Companies Act, 2013.
- The Scheme of Amalgamation between ABCIL and the Company did not involve any cash outflow as the Company issued Equity Shares of the Company to the shareholders of erstwhile ABCIL in terms of the Scheme.
- The Scheme of Arrangement between JCCL and UltraTech during the previous year did not involve any cash outflow, and the consideration to the shareholders of the transferor company was through issue of Equity Shares of the Company.
- Purchase of Fixed Assets includes movements of Capital Work-in-Progress (including Capital Advances) during the year.
- Cash and Cash Equivalents include ₹ 33.93 Crore (Previous Year ₹ 165.72 Crore), which are statutorily and contractually restricted accounts.
- 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

 Dilip Gaur
Managing Director

 R. C. Bhargava
M. L. Apte
Directors

 Saira Nainar
Partner

 Atul B. Desai
Partner

 Sushil Agarwal
Whole-time Director &
Chief Financial Officer

 Mumbai
Dated: 7th May, 2016

 Hutokshi Wadia
Company Secretary

GENERAL INFORMATION

Grasim Industries Limited ("the Company") is engaged primarily in three businesses, Viscose Staple Fibre (VSF), Chlor Alkali Chemicals and in Cement, through its subsidiary UltraTech Cement Limited. It also produces Rayon Grade Pulp and allied Chemicals which are used in the manufacture of VSF. The manufacturing plants of the Company, its Subsidiaries and Joint Ventures are located in India, Canada, Sweden, China, Middle East, Sri Lanka and Bangladesh. The Company is a public limited company and its shares are listed on the Bombay Stock Exchange (BSE), India, and the National Stock Exchange (NSE), India, and the Company's Global Depository Receipts are listed on the Luxembourg Stock Exchange.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation:

The financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the 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 the 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 of 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 is 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, other than Long-term investments classified as current based on maturity in next 12 months, are stated at lower of cost and fair value determined for each category of investments.

On disposal or sale of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss as Profit/Loss on sale 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.

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

The Company follows Accounting Standard-30 – “Financial Instrument: Recognition and Measurement” – to the extent it does not conflict with other accounting standards and regulatory requirements. Accordingly, the Company test each contract entered on the basis of highly probable forecast transaction and decide whether to designate the same as an effective hedging instrument for an underlying transaction.

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 gains or losses on designated hedging contracts that qualify as an effective hedge are recorded in the hedging reserve account until the transactions are completed. Upon completion or cessation of effective hedging relationship, net cumulative gains/losses are transferred to the Statement of Profit and Loss. The gains 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 mark-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).

Proceeds from sale of raw materials/stores are credited to their respective heads.

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

Contributions 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 of incurring the same.

Defined Benefit Plan

The obligations 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 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.

Investments in Share Capital of companies, registered outside India, are 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 the Company's net investment in non-integral foreign operations, is accumulated in Foreign Currency Translation Reserve until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

1.15 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 a systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis or written-down-value method over the useful lives prescribed in Schedule II of the Companies Act, 2013, or on the basis of depreciation rates prescribed under the respective local laws applicable for overseas Subsidiaries/Joint Ventures.

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

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.

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 of 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:

<u>Asset</u>	<u>Estimated Useful Life</u>
Motor Cars/Two-Wheelers	4 – 5 years
IT Servers and Networks	3 years
Other Electronic Office Equipment	4 years
Computer Software	3 years
Furniture and Fixtures, and Electrical Fittings	7 years
Trademarks, Technical Know-how	10 years
Motor Buses, Tractors, 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 Plants	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 assets, which is significant to the 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 are as under:

<u>Category of Assets</u>	<u>Estimated Useful Life (in years)</u>
Leasehold Land	Over the period of lease
Buildings	3 - 60 years
Plant and Machinery	4 - 40 years
Furniture and Fittings, and Office Equipment	3 - 20 years
Vehicles	3 - 15 years
Intangible Assets – Softwares	3 - 5 years

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 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 depreciation or carry forward of losses under tax laws, 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 recognised 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 the 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 the 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.

1.22 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.

1.23 Segment Reporting:

Segments are identified based on the nature of products and services, the different risks and returns, and the internal reporting structure.

Further, inter-segment revenues have been accounted for based on the transaction price agreed to between segments, which is primarily market based.

“Unallocated Corporate Expenses” revenue and expenses which relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

1A. Amalgamation of Aditya Birla Chemicals (India) Ltd.

The Hon'ble High Courts of Madhya Pradesh and Jharkhand have, by their respective orders, approved the Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited (ABCIL), a leading manufacturer of Chlor Alkali and allied chemicals, with Grasim Industries Limited and their respective Shareholders and Creditors. ABCIL has been amalgamated with the Company on 4th January, 2016, w.e.f. the appointed date of 1st April, 2015.

All the assets and liabilities have been accounted for in the books of account of the Company at the value appearing in the books of account of ABCIL as on 1st April, 2015, under the “Pooling of Interest” method as prescribed by Accounting Standard-14 on “Accounting for Amalgamations”.

In terms of the Scheme, the Company has issued 14.62 lakh Equity Shares to the shareholders of the erstwhile ABCIL in the ratio of 1 (one) share of ₹ 10/- each fully paid-up against 16 (sixteen) shares of ₹ 10/- each fully paid-up of ABCIL held by them. As a result, issued and paid-up Equity Share Capital of the Company has increased by ₹ 1.46 Crore to ₹ 93.33 Crore.

Difference between Share Capital of ABCIL of ₹ 23.39 Crore and Equity Share Capital issued by the Company of ₹ 1.46 Crore to ABCIL shareholders amounting to ₹ 21.93 Crore has been disclosed as “Capital Reserve”.

Further, Chlor Alkali plant and related assets of Ganjam, Odisha, and Salt works at Pundi, Andhra Pradesh, were acquired during the year at a total consideration of ₹ 212 Crore as per the Business Transfer Agreement between ABCIL and Jayshree Chemicals Ltd.

In view of amalgamation of ABCIL with the Company with effect from 1st April, 2015, and above acquisition, the figures for the current year are not strictly comparable with those of the previous year.

		₹ in Crores	
		As at 31st March, 2016	As at 31st March, 2015
2.1 SHARE CAPITAL EQUITY			
2.1.1 Authorised			
119,500,000 (Previous Year 95,000,000) Equity Shares of ₹ 10 each		119.50	95.00
Redeemable Cumulative Preference Shares of ₹ 100 each			
150,000 15% “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
50,000 11%		0.50	-
		125.50	100.50
2.1.2 Issued, Subscribed and Fully Paid-up			
93,346,106 (Previous Year 91,852,185) Equity Shares of ₹ 10 each fully paid-up		93.35	91.86
Share Capital Suspense			
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
		93.36	91.87

2.1.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense):

₹ in Crores

	Number of Shares		As at 31st March, 2016	As at 31st March, 2015
	Current Year	Previous Year		
Outstanding as at the beginning of the year	91,867,064	91,841,850	91.87	91.84
Issued during the year to the Shareholders of ABCIL pursuant to the Scheme of Amalgamation (Note 1A)	1,461,657	-	1.46	-
Issued during the year under Employee Stock Options Scheme	32,264	25,214	0.03	0.03
Outstanding as at the end of the year	93,360,985	91,867,064	93.36	91.87
2.1.4 Aggregate Number of Equity Shares allotted as fully paid-up during the period of five years immediately preceding the reporting date without payment being received in cash	1,461,684	27		

2.1.5 List of Shareholders holding more than 5% shares in Equity Share Capital of the Company:

	Current Year		Previous Year	
	No. of Shares	% Holding	No. of Shares	% Holding
Turquoise Investments and Finance Private Limited	5,908,341	6.33%	5,908,341	6.43%
Trapti Trading and Investments Private Limited	5,477,863	5.87%	5,477,863	5.96%
Life Insurance Corporation of India	6,280,468	6.73%	6,762,454	7.36%
2.1.6 Equity Shares of ₹ 10 each represented by Global Depository Receipts (GDRs) (GDR holders have no voting rights)	12,454,572	13.34%	13,288,776	14.47%

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 the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the 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.

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.2 SHARE CAPITAL OTHER THAN EQUITY		
6.75% Non-Cumulative, Redeemable, Class 'B' Convertible Shares of AV Cell Inc.	3.50	7.62
1% Redeemable Preference Shares of Aditya Group AB, Sweden	35.47	33.35
6% Non-Cumulative, Redeemable, Retractable Preferred Shares of AV Nackawic Inc., Canada	19.01	18.20
	57.98	59.17

2.3 RESERVES AND SURPLUS

₹ in Crores

	Capital Reserve Capital Subsidy	Capital Reserve on Consolidation	Legal Reserve *	Hedging Reserve	Capital Reserve	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
Current Year													
Opening Balance as at 1st April, 2015	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
Transferred from ABCIL as on 01.04.2015 pursuant to the Scheme of Amalgamation (Note 1A)	-	-	-	-	17.00	-	43.27	0.02	-	-	-	362.33	422.62
Capital Reserve on Amalgamation (Note 1A)	-	-	-	-	21.93	-	-	-	-	-	-	-	21.93
Profit for the Year	-	-	-	-	-	-	-	-	-	-	-	2,359.15	2,359.15
Proposed Dividend (including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-	-	-	(250.48)	(250.48)
Movement during the year	-	4.59	-	52.30	-	26.93	1,399.39	9.80	5.42	0.34	76.60	(1,437.96)	137.41
Closing Balance as at 31st March, 2016	0.18	41.07	0.15	16.60	109.86	205.38	23,243.06	247.87	22.33	5.77	201.28	1,585.79	25,679.34
Previous Year													
Opening Balance as at 1st April, 2014	0.18	46.34	-	-	0.09	4780	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 Ventures/ Associates (Note 4.3.6)	-	-	-	-	(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 the Statement of Profit and Loss (Net of Deferred Tax) (Note 2.3.3)	-	-	-	-	-	-	-	-	-	-	-	(58.71)	(58.71)
Transfer to Legal Reserve*	-	-	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)
Closing Balance as at 31st March, 2015	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

* Legal Reserve represents profit transferred as per the legal requirement in a Joint Venture of the Company.

Net of Deferred Employees' Compensation Expenses ₹ 9.10 Crore (Previous Year ₹ 15.04 Crore).

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

2.3.1 The Board of Directors has recommended a dividend of ₹ 22.50 per share (Previous Year ₹ 18 per share) for the year ended, 31st March, 2016.

2.3.2 Proposed Dividend (including Corporate Dividend Tax) includes ₹ 0.03 Crore (Previous Year ₹ 0.17 Crore) related to previous year.

2.3.3 During the previous year, 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 the Statement of Profit and Loss as per Schedule II of 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.

2.3.4 Hedging Reserve represents the effective portion of the fair value of forward contracts, designated as cash flow hedge (Net of Deferred Tax). (Note 2.5.2)

2.3.5 Movement in Capital Reserve in the previous year is on account of acquisition of Jaypee Cement Corporation Limited (JCCL), Gujarat units, pursuant to the Scheme of Arrangement.

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.4 LONG-TERM BORROWINGS		
Secured		
Non-Convertible Debentures {Note (a)}	650.00	1,265.00
Term Loans from Banks		
Rupee Term Loans {Note (b1)}	1,033.54	1,235.03
Foreign Currency Loans {Note (b2)}	1,434.17	1,366.42
Deferred Sales Tax Loans {Note (c)}	22.83	25.83
Other Secured Loans {Note (d)}	245.21	272.68
	3,385.75	4,164.96
Unsecured		
Term Loans From Banks		
Foreign Currency Loans {Note (e)}	2,037.98	1,905.57
Deferred Sales Tax Loans {Note (f)}	255.66	295.66
Long-Term Finance Lease Obligations {Note (g)}	2.19	-
Other Unsecured Loans {Note (h)}	19.12	18.13
	5,700.70	6,384.32
Nature of Security, Repayment Terms and Break-up of Current and Non-Current		
Secured Long-Term Borrowings:		
(a) Non-Convertible Debentures (NCDs)		
7.85% NCDs (Redeemable at par on December 18, 2018)	200.00	-
7.84% NCDs (Redeemable at par on April 09, 2018)	200.00	-
9.15% NCDs (Redeemable at par on August 28, 2017)	250.00	250.00
8.05% NCDs (Redeemable at par on January 27, 2017)	250.00	250.00
8.80% NCDs (Redeemable at par on September 30, 2016)	250.00	250.00
8.90% NCDs (Redeemable at par on August 8, 2016)	500.00	500.00
8.01% NCDs (Redeemable at par on July 14, 2016, Put and Call Option to both parties on July 14, 2014)	15.00	15.00
8.80% NCDs (Redeemable at par on December 30, 2015)	-	9.00
	1,665.00	1,274.00
Less: Amount disclosed as Current Maturities of Long-term Debts under the head 'Other Current Liabilities' (Note 2.10)	1,015.00	9.00
	650.00	1,265.00
The NCDs are secured by way of first charge, having <i>pari passu</i> rights, on the Subsidiary's fixed assets (save and except stocks and book debts), both present and future, situated at certain locations, in favour of Debenture Trustees.		

₹ in Crores

		As at 31st March, 2016	As at 31st March, 2015
(b) Term Loans from Banks	Repayment Terms		
(b1) Rupee Term Loans			
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 (d) below]	Quarterly ballooning repayment from April 2010, over 8 years	91.88	138.75
Rupee Term Loan secured by first charge on the Plant and Machinery, both present and future, of the Company located at Vilayat (Staple Fibre Division)	Quarterly ballooning repayment from April 2014, over 5 years	706.50	819.00
Rupee Term Loan secured by exclusive charge on certain specific fixed assets of Nagda (Staple Fibre Division)	Quarterly ballooning repayment from May 2016, over 5 years	36.39	36.39
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)	Quarterly ballooning repayment from October 2007, over 8 years	-	6.68
Rupee Term Loans are secured by first charge on movable and immovable fixed assets, both present and future, at Subsidiary's location	Quarterly ballooning repayment over 7 - 10 years	25.26	37.93
Rupee Term loans secured by way of first charge, having <i>pari passu</i> rights, on movable and immovable assets (save and except stocks and book debts), both present and future, situated at one of the Subsidiary's location	4 semi-annual instalments beginning from May 2022	300.00	-
	3 annual instalments beginning from December 2015	175.00	250.00
	January 2017	200.00	200.00
		1,535.03	1,488.75
Less: Amount disclosed as Current Maturities of Long-term Debts under the head 'Other Current Liabilities' (Note 2.10)		501.49	253.72
		1,033.54	1,235.03

₹ in Crores

		As at 31st March, 2016	As at 31st March, 2015
(b2) Term Loan from Bank in Foreign Currency	Repayment Terms		
International Finance Corporation, Washington (US Dollar – 4.64 Crore; Previous Year 5.00 Crore)	In 14 semi-annual instalments beginning December 2015	301.60	324.80
HSBC Bank (Mauritius) Ltd., Mauritius (US Dollar – 4.00 Crore; Previous Year 4.00 Crore)	February 2019	246.32	246.32
J P Morgan Chase Bank N.A., Singapore** (US Dollar – 5.00 Crore; Previous Year Nil)	3 equal annual instalment beginning November 2015	244.50	-
DBS Bank Ltd., Singapore (Japanese Yen – 240.00 Crore; Previous Year 240.00 Crore)	March 2017	145.22	145.22
BNP Paribas, Singapore (Japanese Yen – 130.00 Crore; Previous Year 130.00 Crore)	March 2017	78.53	78.53
Credit Agricole Corporate & Investment Bank, Singapore (Japanese Yen – 176.64 Crore; Previous Year 176.64 Crore)	December 2016	113.52	113.52
HSBC Bank (Mauritius) Ltd., Mauritius (US Dollar – 0.78 Crore; Previous Year 0.78 Crore)	October 2016	38.19	38.19
HSBC Bank (Mauritius) Ltd., Mauritius (US Dollar – 5.00 Crore; Previous Year 5.00 Crore)	May 2016	224.00	224.00
Cooperative Central Raiffeisen-Boerenleen Bank B.A. (Trading as Rabo International, Singapore, Japanese Yen – Nil; Previous Year 90.00 Crore)	In 3 equal annual instalments beginning March 2014	-	54.06
J P Morgan Chase Bank NA, Singapore (US Dollar – Nil; Previous Year 2.00 Crore)	December 2015	-	111.30
Oman Arab Bank	In instalments from January 2017 to March 2021	11.10	-
Standard Chartered Bank	In Instalments from July 2017 to July 2020	794.84	-
Other Interest and non-interest bearing loan in books of Joint Ventures of the Company	Repayment from FY 17-18	4.46	219.04
		2,202.28	1,554.98
Less: Amount disclosed as Current Maturities of Long-term Debts under the head 'Other Current Liabilities' (Note 2.10)		768.11	188.56
		1,434.17	1,366.42
The foreign currency loans are secured by way of first charge, having <i>pari passu</i> rights, on the Subsidiary's movable and immovable assets (save and except stocks and book debts), both present and future, situated at certain locations, in favour of Subsidiary's lenders/trustees.			
** Loan has been re-financed. In the previous year same was in Unsecured Loan from Sumitomo Mitsui Banking Corporation, Singapore.			

₹ in Crores

		As at 31st March, 2016	As at 31st March, 2015
(c) Deferred Sales Tax Loans	Repayment Terms		
Department of Industries and Commerce, Haryana	Varied Annual Payments from January 2015 to February 2021	32.53	30.93
Less: Amount disclosed as Current Maturities of Long-term Debts under the head 'Other Current Liabilities' (Note 2.10)		9.70	5.10
		22.83	25.83
Sales Tax Deferment Loan is secured by bank guarantee backed by hypothecation of Inventories and book debts of the Subsidiary			
(d) Other Secured loans – in books of Joint Ventures (JVs) of the Company		283.85	277.74
Less: Amount disclosed as Current Maturities of Long-term Debts under the head 'Other Current Liabilities' (Note 2.10)		38.64	5.06
		245.21	272.68
Total Secured Borrowings (II)		3,385.75	4,164.96
Unsecured Long-Term Borrowings:			
(e) Term Loans from Banks in Foreign Currency			
Mizuho Bank, Ltd., Singapore *(US Dollar – 5.00 Crore; Previous Year 5.00 Crore)	December 2017	273.25	273.25
Bank of America NA, Taiwan (US Dollar – 7.50 Crore; Previous Year 7.50 Crore)	3 equal annual instalments beginning October 2016	415.76	415.76
Mizuho Bank, Ltd., Singapore * (US Dollar – 7.50 Crore; Previous Year 7.50 Crore)	October 2016	369.15	369.15
Mizuho Bank, Ltd., Singapore * (US Dollar – 5.00 Crore; Previous Year 5.00 Crore)	May 2016	224.00	224.00
Mizuho Bank, Ltd., Singapore * (Japanese Yen – Nil; Previous Year 170.00 Crore)	March 2016	-	100.71
Mizuho Bank, Ltd., Singapore * (Japanese Yen – Nil; Previous Year 180.00 Crore)	March 2016	-	122.48
Sumitomo Mitsui Banking Corporation and Bank of Nova Scotia, Singapore (Japanese Yen – Nil; Previous Year 400.00 Crore)	March 2016	-	237.01
Sumitomo Mitsui Banking Corporation, Singapore** (US Dollar – Nil; Previous Year 7.50 Crore)	3 equal annual instalments beginning November 2015	-	366.75
Standard Chartered Bank	July 2020	1,423.44	-

₹ in Crores

		As at 31st March, 2016	As at 31st March, 2015
	Repayment Terms		
HSBC and SMBC	July 2015	-	747.15
HSBC and SMBC	July 2015	-	623.05
Bank of America	January 2018	-	124.63
Oman Arab Bank	July 2015	-	4.95
Sumitomo Mitsui Banking Corporation	July 2019	-	93.48
Sumitomo Mitsui Banking Corporation	October 2019	-	155.85
Other loans in the books of Joint Ventures of the Company	April 2017	64.81	-
		2,770.41	3,858.22
Less: Amount disclosed as Current Maturities of Long-term Debts under the head 'Other Current Liabilities' (Note 2.10)		732.43	1,952.65
		2,037.98	1,905.57
* Mizuho Bank, Ltd. was formerly known as Mizuho Corporate Bank, Ltd.			
** Loan has been re-financed. In the previous year same was in Unsecured Loan from Sumitomo Mitsui Banking Corporation, Singapore			
(f) Deferred Sales Tax Loans			
Commercial Tax Department	Varied Annual payments from October 2012 to October 2026	260.00	275.99
	Payable in FY 17	0.11	0.11
	Varied Annual payments from April 2012 to April 2016	14.92	40.02
	Repayable in 6 annual instalments starting from 31st May, 2012	21.78	32.67
	Repayable after 10 years from the respective year in which the actual tax was collected, starting from 14th March, 2011	-	7.27
Industrial Investment Promotion Scheme – 2012 (Interest Free)	Repayable on 27th March, 2022	0.95	-
		297.76	356.06
Less: Amount disclosed as Current Maturities of Long-term Debts under the head 'Other Current Liabilities' (Note 2.10)		42.10	60.40
		255.66	295.66

₹ in Crores

		As at 31st March, 2016	As at 31st March, 2015
	Repayment Terms		
(g) Long-Term Finance Lease Obligations	Repayable after 5 years from 1st August, 2015	2.95	-
Less: Amount disclosed as Current Maturities of Long-term Debts under the head 'Other Current Liabilities' (Note 2.10)		0.76	-
		2.19	-
(h) Other Unsecured Loans – in the books of Joint Ventures of the Company	Moratorium on principal repayments on loans till the secured loan from the Canadian Government is unpaid	19.12	18.13
Total Unsecured Borrowings (II)		2,314.95	2,219.36
Total Borrowings (I + II)		5,700.70	6,384.32

2.5 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2016	Transferred from ABCIL on its Amalgamation (Note 1A)	Charge for the Year	As at 31st March, 2015
Deferred Tax Liabilities:				
Accumulated Depreciation	4,614.95	133.41	612.17	3,869.37
Others	19.80	-	13.82	5.98
	4,634.75	133.41	625.99	3,875.35
Deferred Tax Assets:				
Accrued Expenses Allowable on Payment Basis	167.54	2.28	25.72	139.54
Expenses Allowable in Instalments in Income Tax	24.75	-	24.12	0.63
Provision for Contingencies Allowable on Payment Basis	12.38	0.10	6.54	5.74
Unabsorbed Depreciation/Losses	109.92	-	(118.85)	228.77
Others	81.71	-	10.10	71.61
	396.30	2.38	(52.37)	446.29
Deferred Tax Liabilities (Net)	4,238.45	131.03	678.36	3,429.06

2.5.1 Net Deferred Tax charge for the year (also refer Note 2.15) includes amount of ₹ (0.41) Crore (Previous Year ₹ (1.57) 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 ₹ 12.52 Crore on account of deferred tax charge on unrealised gain on forward contract, adjusted in hedging reserve (also refer Note 2.15).

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.6 OTHER LONG-TERM LIABILITIES		
Security and Other Deposits	2.80	2.10
Trade Payables (other than Micro and Small Enterprises)	16.29	17.04
Other Liabilities	21.45	19.83
	40.54	38.97
2.7 LONG-TERM PROVISIONS		
For Employee Benefits	265.40	241.85
For Asset Retirement Obligations {Note 2.11.1 (a)}	19.65	15.76
	285.05	257.61
2.8 SHORT-TERM BORROWINGS		
Secured		
From Banks	1,072.82	613.72
Unsecured		
From Banks	1,021.66	1,947.06
From Others	1,487.30	10.61
Non-Convertible Debentures	-	500.00
Commercial Papers*	450.00	-
	4,031.78	3,071.39
* Maximum balance outstanding during the year	1,245.00	-
2.9 TRADE PAYABLES		
Due to Micro and Small Enterprises	5.74	1.34
Others	2,496.81	2,350.90
	2,502.55	2,352.24
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.		
2.10 OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debts	3,107.47	2,474.48
Current Maturities of Finance Lease Obligations	0.76	-
Interest Accrued but not Due on Borrowings	126.11	145.77
Unclaimed Dividends (Amount Transferable to Investor Education and Protection Fund, when due)	16.60	16.16
Security and Other Deposits (Trade Deposits)	892.55	702.28
Advances from Customers	204.81	205.74
Liabilities for Capital Goods	212.58	286.11
Other Payables (including Employee Benefits Payable, Liquidation Damages, Retention Money and Statutory Dues, etc.)	2,674.03	2,522.68
	7,234.91	6,353.22

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.11 SHORT-TERM PROVISIONS		
For Employee Benefits	49.31	39.50
For Proposed Dividend	210.03	165.33
For Corporate Dividend Tax	63.85	53.65
For Taxation (Net of Advance Tax)	740.83	946.57
For Assets Transfer Cost (Note 2.11.1(b))	222.12	138.17
	1,286.14	1,343.22
2.11.1 Movement of provisions during the period as required by Accounting Standard-29 – “Provisions, Contingent Liabilities and Contingent Assets” – specified under Section 133 of the Companies Act, 2013:		
(a) Provision for Asset Retirement Obligations		
Opening Balance	15.76	13.70
Add: Provision made during the year	3.89	2.06
Less: Utilised during the year	-	-
Closing Balance (consider as Long- term)	19.65	15.76
(b) Provision for Cost of Transfer of Assets		
Opening Balance	138.17	162.82
Add: Provision made during the year*	83.95	25.50
Less: Utilised during the period	-	50.15
Closing Balance	222.12	138.17

* During the current year, provision for stamp duty related to amalgamation of ABCIL has been made based on substantial degree of estimation. Outflow against the same is expected at the time of regulatory process of registration of assets owned by ABCIL in the name of the Company.

2.12 FIXED ASSETS

₹ in Crores

	Gross Block				Depreciation/Amortisation				Net Block			
	Opening	Addition on Amalgamation of ABCIL Note 2.12.1 (a)	Addition on Acquisition Note 2.12.1 (b)	Deductions/ Adjustments	Translation Difference Add/(Less)	Closing	Opening	Addition on Amalgamation of ABCIL Note 2.12.1 (a)	For the Year	Deductions/ Adjustments	Translation Difference Add/(Less)	Closing
CURRENT YEAR												
TANGIBLE ASSETS												
Freehold Land	3,180.08	77.40	20.94	278.35	1.79	3.26	3,558.24	-	-	-	-	3,558.24
Leasehold Land	361.00	10.17	22.87	123.03	0.27	0.17	516.97	61.39	2.79	15.93	0.00	79.86
Leasehold Improvements	-	-	-	1.83	-	-	1.83	-	-	0.35	-	0.35
Buildings	3,865.09	175.24	46.84	514.55	13.12	18.08	4,606.68	980.86	24.14	208.37	5.92	1,209.40
Plant and Equipment												
Own	33,536.48	1,493.96	115.06	2,522.19	292.20	175.22	37,550.71	12,224.23	330.45	1,461.58	61.03	13,928.24
Given on Lease	55.43	-	-	25.27	(92.57)	-	173.27	52.65	-	752	(13.00)	73.17
Furniture and Fixtures	203.14	5.20	0.04	23.73	3.88	1.68	229.91	146.21	4.06	19.80	2.89	168.53
Jetty	221.66	-	-	53.41	-	-	275.07	93.88	-	1105	-	104.93
Vehicles	193.60	9.27	-	26.95	18.75	0.92	211.99	80.04	3.81	30.21	15.29	99.21
Office Equipment	324.46	6.73	0.45	45.23	9.89	0.36	367.34	237.25	3.87	39.90	9.38	271.88
Plantations (Note 3.11)	122.41	-	-	7.48	-	759	137.48	9.46	-	2785	-	37.31
Railway Sidings	541.72	13.93	-	122.28	-	0.03	677.96	261.78	6.43	28.06	-	296.27
Salt Pans, Reservoir and Condensers	-	7.41	-	-	-	-	7.41	-	5.44	1.12	-	6.56
Total Tangible Assets	42,605.07	1,799.31	206.20	3,744.30	247.33	207.31	48,314.86	14,147.75	380.99	1,851.74	68.98	16,275.71
INTANGIBLE ASSETS												
Computer Software	142.35	3.73	-	23.13	0.67	2.28	170.82	107.37	2.46	22.10	0.72	132.78
Value of Licence	-	22.36	-	-	-	-	22.36	-	8.46	2.09	-	10.55
Technical Know-how	2.50	-	-	0.56	-	-	3.06	0.18	-	0.78	-	0.96
Trade Mark	0.01	-	-	0.07	-	-	0.08	0.01	-	-	-	0.01
Mining Rights	72.09	-	-	34.72	-	-	106.81	21.95	-	5.96	-	27.91
Total Intangible Assets	216.95	26.09	-	58.48	0.67	2.28	303.13	129.51	10.92	30.93	0.72	172.21
	42,822.02	1,825.40	206.20	3,802.78	248.00	209.59	48,617.99	14,277.26	391.91	1,882.67	174.47	16,447.92
Capital Work-in-Progress (including Pre-Operative Expenses)												
Intangible Assets under Development												
Total Fixed Assets												1.08
Total Fixed Assets												34,005.71

2.12 FIXED ASSETS

	Opening	Additional Acquired/ Other Adjustments (Note 2.12.2)	Gross Block Additions	Deductions/ Adjustments	Translation Difference Add/(Less)	Closing	Opening	Additional Acquired/Other Adjustments (Note 2.12.2)	Depreciation/Amortisation For the Year Adjustments	Translation Difference Add/(Less)	Closing	Net Block Closing
PREVIOUS YEAR												
TANGIBLE ASSETS												
Freehold Land	2,108.62	608.76	468.89	0.30	(5.89)	3,180.08	-	-	-	-	-	3,180.08
Leasehold Land	241.58	4.83	75.71	(38.33)	0.55	361.00	51.55	(0.09)	9.86	0.06	61.39	299.61
Buildings	2,872.76	439.56	574.86	4.29	(17.80)	3,865.09	650.35	61.96	274.30	(5.26)	980.86	2,884.23
Plant and Equipment												-
Own	27,338.52	2,875.73	3,549.47	141.51	(85.73)	33,536.48	10,661.95	493.14	1,187.54	(32.50)	12,224.23	21,312.25
Given on Lease	55.43	-	-	-	-	55.43	46.89	-	5.76	-	52.65	2.78
Furniture and Fixtures	180.84	2.33	25.29	6.36	1.04	203.14	125.16	1.90	25.23	0.69	146.21	56.93
Jetty	80.60	141.06	-	-	-	221.66	80.04	8.88	4.96	-	93.88	127.78
Vehicles	112.25	8.04	84.52	10.92	(0.29)	193.60	60.82	4.46	22.96	0.06	80.04	113.56
Office Equipment	294.20	3.11	39.74	11.53	(1.06)	324.46	201.58	2.40	44.38	(0.48)	237.25	87.21
Plantations	114.26	-	731	-	0.84	122.41	-	-	9.46	-	9.46	112.95
Railway Sidings	497.62	0.78	43.32	-	-	541.72	196.17	0.05	65.56	-	261.78	279.94
Total Tangible Assets	33,896.68	4,084.20	4,869.11	136.58	(108.34)	42,605.07	12,074.51	572.70	1,650.01	112.05	14,147.75	28,457.32
INTANGIBLE ASSETS												
Computer Software	120.97	0.03	21.38	0.45	0.42	142.35	88.43	-	19.21	0.45	107.37	34.98
Technical Know-how	-	-	2.50	-	-	2.50	-	-	0.18	-	0.18	2.32
Trade Mark	0.01	-	-	-	-	0.01	-	-	0.01	-	0.01	-
Mining Rights	94.18	-	16.24	38.33	-	72.09	1715	-	4.80	-	21.95	50.14
Total Intangible Assets	215.16	0.03	40.12	38.78	0.42	216.95	105.58	-	24.20	0.45	129.51	87.44
	34,111.84	4,084.22	4,909.23	175.36	(107.91)	42,822.02	12,180.09	572.70	1,674.21	112.50	14,277.26	28,544.76
Capital Work-in-Progress (including Pre-Operative Expenses)							Intangible Assets under Development					
							Total Fixed Assets					
							4.84					

2.12.1 Additional Assets Acquired for current year represents:

- Amalgamation of Fixed Assets from Aditya Birla Chemicals (India) Limited (ABCIL) (Note 1A).
- Value of Fixed Assets acquired (Ganjam, Odisha, and Pundi, Andhra Pradesh, Units of Jayshree Chemicals Limited) at a consideration of ₹ 206.20 Crore (Note 1A).

2.12.2 Additional Assets Acquired/Other Adjustments for previous year includes:

- Acquisition of assets from Jaypee Cement Corporation Limited (JCCL) by UltraTech Cement Limited.
- Adjustment for dilution of stake in Joint Ventures.

2.12.3 Freehold land includes cost of land which are in the process of being registered in the name of the Company.

Leasehold land includes cost of land for which lease deeds are in the process of execution.

The titles of the immovable assets transferred from ABCIL pursuant to the Scheme of Amalgamation and the immovable assets acquired from Jayshree Chemicals Limited are in the process of being transferred in the name of the Company.

	Current Year	Previous Year
2.12.4 Depreciation and Amortisation for the year	1,882.67	1,674.21
Less: Capitalised as Pre-Operative Expenses	4.71	7.27
Add: Obsolescence	58.99	37.31
Add: Amortisation of Goodwill on Consolidation (Note 1.23)	1.86	2.36
Less: Diminution in Value of Fixed Assets (Note 3.11)	27.85	9.46
Less: Depreciation transferred to Surplus as per the Statement of Profit and Loss (Note 2.12.3)	-	133.93
Depreciation and Amortisation for the year charged to the Statement of Profit and Loss	1,910.96	1,563.22

2.12.5 The Company has componentised the fixed assets transferred to it on amalgamation of ABCIL and acquired from Jayshree Chemicals Limited and has separately assessed the life of major components, forming part of the main asset. UltraTech Cement Limited (UltraTech), a subsidiary of the Company has also componentised its fixed assets. Consequently, the depreciation charge for the current year is higher by ₹ 77.79 Crore on account of higher depreciation on components.

2.12.6 Fixed Assets include assets costing ₹ 595 Crore (Previous Year ₹ 506.97 Crore) not owned by the Group.

2.12.7 Fixed Assets include assets costing ₹ 115.05 Crore (Previous Year ₹ 87.71 Crore) held on Co-ownership with other companies.

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.13 GOODWILL ON CONSOLIDATION		
In case of Investments in Subsidiaries:		
Carrying Cost of Investments	2,702.90	2,702.85
Less: Grasim's Share in Net Worth on Acquisition	793.62	793.57
	1,909.28	1,909.28
Goodwill arising in Consolidated Financial Statements of Subsidiaries and Joint Ventures	1,421.42	1,333.06
In case of Investments in Joint Ventures:		
Carrying Cost of Investments	612.19	608.25
Less: Grasim's Share in Net Worth on Acquisition	569.29	567.19
	42.90	41.06
	3,373.60	3,283.40

₹ in Crores

	Face Value	Total Nos.	As at 31st March, 2016	As at 31st March, 2015
2.14 NON-CURRENT INVESTMENTS (Long-Term, Fully Paid-up, At Cost)				
Trade Investments				
Investments in Equity Instruments				
Associates				
Aditya Birla Science & Technology Company Private Limited #	₹ 10	7,799,750		
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			1.07	1.90
			8.87	9.70
Other Companies				
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	100,000	0.10	0.10
Raj Mahal Coal Mining Limited	₹ 10	1,000,000	1.00	1.00
More Research I Omskoldsvik AB	WPV	3,600	0.44	0.39
			3.01	2.96

₹ in Crores

	Face Value	Total Nos.	As at 31st March, 2016	As at 31st March, 2015
Investments in Preference Shares				
Joint Ventures (Net of Inter-Company Elimination)				
6% Cumulative Redeemable Retractable, Non-voting Preferred Shares of AV Nackawic Inc., Canada			11.09	11.76
1% Redeemable Preference Shares of Aditya Group AB, Sweden			31.51	32.58
Others				
3.50% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	2,500,000	25.00	25.00
4.50% Cumulative Non-Convertible Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	2,000,000	20.00	20.00
11% (NC) Cumulative Preference Shares of TANFAC Industries Limited \$	₹ 100	500,000	5.00	-
			92.60	89.34
\$ Transferred from ABCIL pursuant to the Scheme of Amalgamation				
Other Investments				
Investments in Equity Instruments				
Associates				
Idea Cellular Limited #	₹ 10	171,013,894		
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			1,059.74	933.68
			1,230.75	1,104.69
Other Companies				
Aditya Birla Nuvo Limited # (Note 2.14.2)	₹ 10	3,345,816	33.26	68.37
Larsen & Toubro Limited # (Previous Year 5,777,976 shares)	₹ 2	2,631,869	10.53	**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
Aditya Birla Fashion and Retail Ltd. # (Note 2.14.2)	₹ 10	17,398,243	35.11	-
Birla Management Centre Services Ltd.	₹ 10	7,300	0.01	0.01
Others			0.01	0.04
			430.70	443.31

₹ in Crores

	Face Value	Total Nos.	As at 31st March, 2016	As at 31st March, 2015
Investments in Bonds, Debentures and Government Deposits				
Tata Steel Limited – 11.80% Perpetual NCD # (Previous Year 80 units)	₹ 1,000,000	-	-	8.20
Housing and Urban Development Corporation Limited # Tax-Free Bond – 8.10%, 2022	₹ 1,000	195,000	19.50	19.50
Indian Railway Finance Corporation Limited # Tax-Free Bond – 7.18%, 2023	₹ 1,000	400,000	40.00	40.00
Indian Railway Finance Corporation Limited # Tax-Free Bond – 7.34%, 2028	₹ 1,000	600,000	60.00	60.00
National Highways Authority of India # Tax-Free Bond – 8.20%, 2022	₹ 1,000	147,238	14.72	14.72
Power Finance Corporation Limited # Tax-Free Bond – 8.20%, 2022	₹ 1,000	119,546	11.95	11.95
State Bank of India – 9.50% Bond, 2025 #	₹ 10,000	107	0.11	0.11
National Highways Authority of India # Tax-Free Bond Series 1 – 8.20%, 2022	₹ 1,000	98,895	9.89	9.89
Power Finance Corporation Limited # Tax-Free Bond Series 1 – 8.20%, 2022	₹ 1,000	56,958	5.70	5.70
Indian Railway Finance Corporation Limited # Tax-Free Bond Series 80 A – 8.10%, 2027	₹ 1,000	108,754	10.87	10.87
Housing and Urban Development Corporation Limited # Tax-Free Bond Series 2 – 8.20%, 2027	₹ 1,000	500,000	50.00	50.00
Indian Railway Finance Corporation Limited # Tax-Free Bond Series 103 – 7.28%, 2030	₹ 1,000	151,000	15.10	-
National Highways Authority of India # Tax-Free Bond Series 2A – 7.35%, 2031	₹ 1,000	428,548	42.85	-
Indian Renewable Energy Development Agency Limited # Tax-Free Bond Series 2A – 7.49%, 2031	₹ 1,000	255,450	25.55	-
Rural Electrification Corporation Limited Tax-Free Bond Series 3 B – 8.46%, 2028	₹ 1,000,000	90	9.83	-
NTPC Limited Tax-Free Bond Series 55 A – 7.15%, 2025	₹ 1,000,000	100	10.01	-
National Highways Authority of India Tax-Free Bond Series 2B – 7.28%, 2030	₹ 1,000,000	100	10.00	-
Indian Renewable Energy Development Agency Limited Tax-Free Bond Series XIV-C – 7.17%, 2025	₹ 1,000,000	100	10.00	-

₹ in Crores

	Face Value	Total Nos.	As at 31st March, 2016	As at 31st March, 2015
Kotak Mahindra Prime Limited Series 1 – Par Premium Bonds (XIRR 8.75%)	₹ 1,000,000	1,000	100.00	-
L&T Finance Ltd. Perpetual Bonds – 11.50%, 2021 #	₹ 1,000,000	112	11.65	11.72
HDFC 2017 – 9.60%, 2017 #	₹ 1,000,000	10	1.00	1.00
HDFC 2016 – 9.75%, 2016 #	₹ 1,000,000	23	-	2.00
NTPC Limited – 8.49% Debenture # ^ ₹ 62.50	₹ 12.50	5	^	-
			458.73	245.66
Deposited with Government Departments			0.02	0.02
			458.75	245.68
Investments in various Mutual Funds #			312.06	63.76
Investment in various Mutual Funds (Unquoted)			2,049.15	1,879.53
			4,585.89	3,838.97
WPV – Without Par Value				
# Quoted Investments				
** Non transferable due to litigation, since settled				
2.14.1 Aggregate Book Value of:				
Quoted Investments			2,432.62	1,857.80
Unquoted Investments			2,153.27	1,981.17
			4,585.89	3,838.97
Aggregate Market Value of Quoted Investments			4,096.23	5,790.99

- 2.14.2** Pursuant to the Composite Scheme of Arrangement, Aditya Birla Nuvo Limited (ABNL) has transferred its branded apparel retailing division to Aditya Birla Fashion and Retail Limited (ABFRL). In terms of the Scheme, 26 fully paid-up equity shares of ₹ 10 each of ABFRL has been allotted for every 5 equity shares of ABNL. Accordingly, 17,398,243 shares have been allotted to the Company. The carrying cost of equity shares of ABNL has been apportioned to equity shares of ABFRL as acquisition cost on the basis of decrease in the market value of shares of ABNL as the effect of said Composite Scheme.

₹ in Crores

	As at 31st March, 2016	Charge for the Year	As at 31st March, 2015
2.15 DEFERRED TAX ASSETS (NET)			
Deferred Tax Assets:			
Provision for Contingencies allowable on payment basis	0.10	0.01	0.09
Unabsorbed Losses	30.98	(34.14)	65.12
Others	2.38	(6.92)	9.30
	33.46	(41.05)	74.51
Deferred Tax Liabilities:			
Accumulated Depreciation	20.59	(22.29)	42.88
Others	-	(12.87)	12.87
	20.59	(35.16)	55.75
Deferred Tax Assets (Net)	12.87	(5.89)	18.76

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.16 LONG-TERM LOANS AND ADVANCES		
Secured (Considered Good)		
Loans against House Property (Secured by way of title deeds)	0.03	0.04
Unsecured (Considered Good)		
Capital Advances for Purchase of Fixed Assets	506.97	756.83
Security Deposits*	155.26	145.19
Loans and Advances to Related Parties	20.40	31.01
Balances with Government Authorities	196.38	223.98
MAT Credit Entitlement (Includes ₹ 26.77 Crore transferred from ABCIL pursuant to the Scheme of Amalgamation)	1,408.65	1,051.20
Advance Tax (Net of Provision for Tax)	212.21	115.77
Other Loans and Advances (includes Loans to Employees, etc.)	120.86	80.66
	2,620.76	2,404.68
<p>* Includes deposit of ₹ 5.25 Crore (Previous Year ₹ 9.49 Crore included in Short-Term Loans and Advances) 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 the cost to each member. The Company's share of expenses, under the common pool, has been accounted for under the appropriate heads.</p>		
2.17 OTHER NON-CURRENT ASSETS		
Non-Current Bank Balances (Note 2.21)	18.79	21.98
	18.79	21.98

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.18 CURRENT INVESTMENTS		
(Valued at Lower of Cost and Fair Value)		
Investments in Government Securities	10.24	26.18
Investments in various Mutual Funds	3,013.21	3,345.14
Fixed Deposits with Corporates	45.35	45.00
	3,068.80	3,416.32
2.18.1 Aggregate Book Value of:		
Quoted Investments	1,032.29	819.51
Unquoted Investments	2,036.51	2,596.81
	3,068.80	3,416.32
Aggregate Market Value of Quoted Investments	1,131.61	906.49
2.18.2 Current Investments include current portion of Long-Term Investments as per the definition provided in Accounting Standard (AS)-13: Accounting for Investments.	678.85	1,322.46

2.19 INVENTORIES

(Valued at Lower of Cost and Net Realisable Value, unless otherwise stated)

₹ in Crores

	As at 31st March, 2016			As at 31st March, 2015		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	976.91	472.44	1,449.35	932.68	352.18	1,284.86
Work-in-Progress	564.70	-	564.70	566.99	-	566.99
Finished Goods	777.93	87.41	865.34	759.06	76.54	835.60
Stock-in-Trade	32.94	-	32.94	38.01	-	38.01
Stores and Spare Parts	1,209.58	8.42	1,218.00	1,148.41	14.21	1,162.62
Fuel	364.68	37.62	402.30	547.95	267.65	815.60
By-Products	16.54	-	16.54	16.62	-	16.62
Waste/Scrap (valued at Net Realisable Value)	19.88	-	19.88	15.07	-	15.07
Others (mainly Packing Materials)	58.98	-	58.98	53.08	-	53.08
	4,022.14	605.89	4,628.03	4,077.87	710.58	4,788.45

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.20 TRADE RECEIVABLES		
Outstandings for a period exceeding six months from the date they are due for payments		
Secured, Considered Good	37.73	19.98
Unsecured, Considered Good *	78.08	77.00
Doubtful	24.57	3.76
	140.38	100.74
Less: Provision for Doubtful Debts	24.57	3.76
	115.81	96.98
Others		
Secured, Considered Good	572.76	516.05
Unsecured, Considered Good *	2,466.06	2,034.34
	3,154.63	2,647.37
* Includes amount in respect of which the Company holds Deposits and Letters of Credits/Guarantees from Banks	238.67	249.29

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
2.21 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	1.06	1.18
Cheques on Hand	50.77	37.29
Balances with Banks		
In Current Account #	2,164.30	70.96
In Deposit Account – Original Maturity of 3 months or Less	2.74	25.00
	2,218.87	134.43
Bank Balances		
In EEFC Account	11.35	5.07
Earmarked Balance with Bank		
In Government Treasury Savings Account	0.01	0.01
Unpaid Dividends Account	16.59	16.15
Bank Deposits * @ ^	1.31	1.31
Fixed Deposits with Banks		
Maturity more than 3 months and upto 12 months* \$	176.60	282.74
Maturity more than 12 months	18.79	21.98
Less: Amount disclosed under Other Non-Current Assets (Note 2.17)	(18.79)	(21.98)
	194.51	303.97
	2,424.73	439.71
# ₹ 2,000 Crore (Previous Year ₹ Nil) earmarked for specific purpose		
\$ ₹ 152.25 Crore for specific purpose (Previous Year ₹ Nil)		
* Lodged as security with Government Departments	17.34	149.57
@ Interest Accrued	0.32	0.01
^ Unclaimed Fractional Warrants	0.11	-
2.22 SHORT-TERM LOANS AND ADVANCES		
Secured (Considered Good)		
Loans against House Property (Secured by way of title deeds)	0.01	0.01
Unsecured (Considered Good, unless otherwise stated)		
Security Deposits	178.66	232.64
Loans and Advances to Related Parties	45.44	32.52
Balances with Government Authorities	547.21	657.61
Deposits with Body Corporates	-	30.00
Advance Tax (Net of Provision for Tax)	101.23	85.98
Other Short-Term Loans and Advances (includes Advances to Suppliers, Employees, etc.) *	808.60	789.93
Less: Provision for Doubtful Advances	11.10	0.58
	797.50	789.35
	1,670.05	1,828.11
* Includes Considered Doubtful, fully provided	11.10	0.58
2.23 OTHER CURRENT ASSETS		
Interest Accrued on Investments	12.37	7.09
Assets Held for Disposal	18.17	9.53
Others (include Insurance Claims, Export Incentives Receivables, Hedging Premium, etc.)	40.87	47.49
	71.41	64.11

₹ in Crores

	Current Year	Previous Year
3.1 SALE OF PRODUCTS AND SERVICES (GROSS) (Note 4.10.1)		
Sale of Products	40,124.28	35,952.60
Sale of Services	132.62	105.55
	40,256.90	36,058.15
3.2 OTHER OPERATING REVENUES		
Export Incentives	49.05	46.34
Insurance Claims	31.57	18.57
Sundry Balances Written Back (Net)	33.46	20.61
Rent Received	3.59	4.04
Scrap Sales (Net)	78.57	79.07
Other Miscellaneous Operating Income (Note 4.4.1)	222.94	241.08
	419.18	409.71
3.3 OTHER INCOME		
Interest Income on:		
Long-Term Investments – Government and Other Securities	26.43	22.02
Bank Accounts and Others	90.75	71.63
Dividend Income from:		
Long-Term Investments – Trade	0.62	2.82
Long-Term Investments – Others	17.34	16.11
Current Investments – Mutual Funds	2.13	10.01
Profit on Sale of:		
Long-Term Investments (Net)	4.75	89.86
Current Investments (Net)	168.80	311.74
Fixed Assets (Net)	-	1.74
Consumer Product Division (Net) (Slump Sale)	7.72	-
Other Non-Operating Income	17.82	13.03
	336.36	538.96
3.4 COST OF MATERIALS CONSUMED		
Opening Stock	1,284.86	1,333.21
Add: Purchases and Incidental Expenses	8,945.00	7,982.05
Stock Transferred from JCCL, pursuant to Merger	-	2.88
Stock Transferred from ABCIL pursuant to the Scheme of Amalgamation	99.88	-
Acquisition of Ganjam Unit of Jayshree Chemicals Limited	1.20	-
Regrouping from other heads of account	-	(3.31)
	10,330.94	9,314.83
Less: Sales	1.98	5.27
Adjustments for Stake dilution in Joint Ventures	-	(5.69)
Closing Stock	1,449.35	1,284.86
	1,451.33	1,284.44
	8,879.61	8,030.39

₹ in Crores

	Current Year	Previous Year
3.4.1 Details of Raw Materials Consumed:		
Pulp Wood	701.99	778.76
Dissolving Pulp	1,949.26	1,770.89
Limestone	1,030.37	907.16
Fly Ash	542.94	488.43
Gypsum	347.82	327.05
Aggregates	305.04	295.75
Sand	257.75	238.72
Caustic Soda	221.92	257.19
Sulphur	219.38	214.33
Salt	256.29	121.41
ECH	188.42	122.69
Bisphenol	202.34	156.71
Paraffin	140.29	95.93
Others	2,515.80	2,255.37
	8,879.61	8,030.39
3.5 PURCHASES OF STOCK-IN-TRADE		
Chemicals	40.78	21.10
Grey Cement	113.47	127.67
Fabrics	79.64	126.66
Others	357.54	281.08
	591.43	556.51
3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	828.85	769.26
Stock-in-Trade	38.01	16.66
By-Products	16.62	2.26
Work-in-Progress	566.99	393.15
Waste/Scrap	5.07	4.45
Add: Stock Transferred from ABCIL pursuant to the Scheme of Amalgamation	30.28	-
Add: Acquisition of Ganjam Unit of Jayshree Chemicals Limited	1.25	-
	1,487.07	1,185.78
Less: Closing Stock		
Finished Goods	855.44	828.85
Stock-in-Trade	32.94	38.01
By-Products	16.54	16.62
Work-in-Progress	564.71	566.99
Waste/Scrap	4.89	5.07
	1,474.52	1,455.54

₹ in Crores

	Current Year	Previous Year
Decrease/(Increase) in Stocks	12.55	(269.76)
Less: (Increase)/Decrease in Excise Duty on Stocks	(8.34)	(14.00)
Stake Dilution in Joint Ventures	-	2.65
Add: Regrouping from other heads of account	-	2.50
Stock Transferred from JCCL, pursuant to Merger	-	11.64
Stock of Trial-Run Production	1.27	100.99
Exchange Translation Difference	9.09	(16.33)
	31.25	(159.61)
3.7 EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	2,095.87	1,847.05
Contribution to Provident and Other Funds	132.03	137.41
Staff Welfare Expenses	171.50	148.94
Expenses on Employee Stock Options Scheme	7.79	7.76
	2,407.19	2,141.16
3.8 FREIGHT AND HANDLING EXPENSES		
On Finished Products	5,552.61	5,077.41
On Clinker Transfer	822.60	680.39
	6,375.21	5,757.80
3.9 OTHER EXPENSES		
3.9.1 Manufacturing Expenses:		
Consumption of Stores, Spare Parts and Components and Incidental Expenses	949.76	890.40
Consumption of Packing Materials	863.93	851.02
Processing Charges	59.47	34.92
Repairs to Buildings	94.64	77.80
Repairs to Machinery	554.27	453.52
Repairs to Other Assets	167.65	137.79
3.9.2 Administration, Selling and Distribution Expenses:		
Advertisement	208.40	177.84
Discounts, Sales Promotion and Other Selling Expenses	1,168.48	1,104.04
Insurance	85.33	70.28
Rent (including Lease Rent) (Note 4.4.2)	169.69	152.58
Rates and Taxes	163.97	160.06
Research Contribution and Expenses	24.54	24.69
Donations (Note 3.12)	(0.15)	70.97
Directors' Fees	0.93	0.58
Directors' Commission	28.69	25.56
Exchange Rate Difference (Net)	16.89	21.57
Provision for Diminution in Value of Investments	-	1.87
Loss on Sale of Fixed Assets (Net)	0.41	-
Miscellaneous Expenses	943.54	796.52
	5,500.44	5,052.01

₹ in Crores

	Current Year	Previous Year
3.9.3 Auditors' Remuneration (excluding Service Tax) Charged to the Statement of Profit and Loss		
Payments to Statutory Auditors:		
Audit Fee	5.45	5.10
Tax Audit Fee	0.34	0.25
Limited Review Fee	0.68	0.31
Fees for Other Services	0.55	0.47
Reimbursement of Expenses	0.19	0.15
Payments to Branch Auditors:		
Audit Fee	-	0.09
Tax Audit Fee * (Previous Year ₹ 35,000)	-	*
Fees for Other Services ** (Previous Year ₹ 20,000)	-	**
Reimbursement of Expenses *** (Previous Year ₹ 24,394)	-	***
Payments to Cost Auditors:		
Audit Fee	0.19	0.18
Fees for Other Services # ₹ 16,500 (Previous Year ₹ 17,500)	#	#
Reimbursement of Expenses	0.01	0.01
3.10 FINANCE COSTS		
Interest Expense #	760.86	732.78
Other Borrowing Costs	7.71	5.12
Exchange (Gain)/Loss on Foreign Currency Borrowings	1.66	1.99
	770.23	739.89
Less: Capitalised	18.89	72.50
	751.34	667.39
# Net of Interest Subsidy from Government	111.57	120.53

3.11 The Company holds 40% stake in Birla Lao Pulp & Plantations Company Ltd. (BLPP), a Joint Venture of the Company, to secure pulp requirement for its VSF business. Considering the present overcapacity, both in pulp and fibre businesses, its strategic importance for the Company is diminished. Therefore, the Company has further provided ₹ 27.85 Crore (₹ 9.46 Crore during the previous year) (being the excess of the carrying value of BLPP in Consolidated Financial Statements over its estimated enterprise value) towards impairment of assets, which been disclosed as Exceptional Item.

₹ in Crores

	Current Year	Previous Year
3.12 During the previous year, Donations include contribution of ₹ 70.95 Crore to General Electoral Trust ('the Trust'), set-up by the Company (along with other group companies). The Trust, as per governing charter, uses such funds for contribution for Political purposes, as may be decided by the Board of Independent Trustees of the Trust. During the year, the Company has received refund of ₹ 0.48 Crore (Previous Year ₹ 0.09 Crore) from General Electoral Trust, being undistributed balance related to earlier years.		
3.13 EARNINGS PER SHARE (EPS):		
Net Profit for the year attributable to Equity Shareholders (₹ in Crores)	2,359.15	1,743.80
Basic EPS:		
Weighted-average Number of Equity Shares Outstanding (Nos.)	93,340,046	91,856,386
Basic EPS (₹)	252.75	189.84
Diluted EPS:		
Weighted-average Number of Equity Shares Outstanding (Nos.)	93,340,046	91,856,386
Add: Weighted-average Number of Potential Equity Shares on exercise of Options (Nos.)	85,268	97,471
Weighted-average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)	93,425,314	91,953,857
Diluted EPS (₹)	252.52	189.64

4.1 PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements (CFS) comprise the Financial Statements of Grasim Industries Limited ("the Company") and its Subsidiaries, Joint Ventures and Associates (herein after referred together as "the 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 unrealised profits or losses on intra-group transactions.

The difference between the cost of investments 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.

Minority interest in the net assets of the consolidated subsidiaries consists of:

- The amount of equity attributable to minority shareholders at the date on which the investments in the subsidiary companies were made.
- The minority's share of movements in equity since the date the parent-subsidiary relationship comes into existence.

Minority interest in share of net result for the year is identified and adjusted against the profit after tax of the Group. Excess of loss, if any, attributable to the minority, over and above the minority, interest in the equity of the subsidiary is absorbed by the Group.

The CFS are prepared using uniform significant accounting policies for like transactions and other events in similar circumstances, to the extent possible.

The CFS include seven Joint Ventures (JVs), and seventeen Subsidiaries, incorporated outside India, whose Financial Statements have been restated in Indian Rupees, considering them as non-integral part of the Group's operations. In translating the Financial Statements of such Companies for incorporation in the Financial Statements, the assets and liabilities, both monetary and non-monetary, are translated at closing exchange rate, all Income and Expenses are translated at 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, 2016, which are as under:

Name of the Company	Note	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %		% Shareholding and Voting Power along with Subsidiaries	
				31.3.2016	31.3.2015	31.3.2016	31.3.2015
Subsidiaries:							
Sun God Trading and Investments Limited		SGTIL	India	100.00	100.00	100.00	100.00
Samruddhi Swastik Trading and Investments Limited		SSTIL	India	100.00	100.00	100.00	100.00
Grasim Bhiwani Textiles Limited		GBTL	India	100.00	100.00	100.00	100.00
Aditya Birla Chemicals (Belgium) BVBA	^	ABCB	Belgium	100.00	-	100.00	-
UltraTech Cement Limited		UltraTech	India	60.25	60.25	60.25	60.25
Dakshin Cements Limited	*	DCL	India	60.25	60.25	100.00	100.00

Name of the Company	Note	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %		% Shareholding and Voting Power along with Subsidiaries	
				31.3.2016	31.3.2015	31.3.2016	31.3.2015
UltraTech Cement Lanka Private Limited	*	UTCLPL	Sri Lanka	48.20	48.20	80.00	80.00
Harish Cement Limited	*	HCL	India	60.25	60.25	100.00	100.00
UltraTech Cement Middle East Investments Limited	*	UCMEIL	UAE	60.25	60.25	100.00	100.00
PT UltraTech Mining Indonesia	*%	PUMI	Indonesia	48.20	48.20	80.00	80.00
UltraTech Cement SA (PTY)	*^	UCSA	South Africa	60.25	60.25	100.00	100.00
PT UltraTech Investments Indonesia	*+	PTUCIA	Indonesia	60.25	60.25	100.00	100.00
Star Cement Co. LLC	#\$	SCCLD	UAE	60.25	60.25	100.00	100.00
Star Cement Co. LLC, Ras-Al-Khaimah	#\$	SCCLRAK	UAE	60.25	60.25	100.00	100.00
Al Nakhla Crusher, LLC, Fujairah	#\$	ANCL	UAE	60.25	60.25	100.00	100.00
Arabian Cement Industry LLC, Abu Dhabi	#\$	ACIL	UAE	60.25	60.25	100.00	100.00
Arabian Gulf Cement Co. WLL, Bahrain	#~	AGCCW	Bahrain	60.25	60.25	100.00	100.00
Emirates Power Company Ltd.	#	EPCL	Bangladesh	60.25	60.25	100.00	100.00
Emirates Cement Bangladesh Ltd.	#	ECBL	Bangladesh	60.25	60.25	100.00	100.00
UltraTech Cement Mozambique Limitada	#^@	UTCMEIL	Mozambique	60.25	60.25	100.00	100.00
Gotan Limestone Khanij Udyog Private Ltd.	*	GKU	India	60.25	60.25	100.00	100.00
PT UltraTech Cement Indonesia	!	PTUCI	Indonesia	59.65	59.65	99.00	99.00
Bhagwati Lime Stone Company Private Limited	*	BLCPL	India	60.25	60.25	100.00	100.00
Awam Mineral LLC, Oman (w.e.f. April 25, 2014)	#	AML	Oman	30.73	30.73	51.00	51.00
PT UltraTech Mining Sumatera (w.e.f. 14th Oct, 2014)	!	PTUMS	Indonesia	60.25	60.25	100.00	100.00
Joint Venture Companies (JVs):							
AV Cell Inc.		AVC	Canada	45.00	45.00	45.00	45.00
AV Nackawic Inc.		AVN	Canada	45.00	45.00	45.00	45.00
Birla Jingwei Fibres Co. Limited		BJFC	China	26.63	26.63	26.63	26.63
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	28.54	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

Name of the Company	Note	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %		% Shareholding and Voting Power along with Subsidiaries	
				31.3.2016	31.3.2015	31.3.2016	31.3.2015
Associates:							
Aditya Birla Science & Technology Co. Private Ltd.		ABSTCL	India	39.00	39.00	39.00	39.00
Idea Cellular Ltd.		Idea	India	4.75	4.75	4.75	4.75

Symbols in the Note column above are explained as below:

Symbol	Note
*	Subsidiaries/Joint Ventures of UltraTech
#	Subsidiaries of UCMEIL
@	90% Shareholding of UCMEIL
!	Subsidiaries 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, 2016 (Previous Year 31st March, 2015).

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 Venture, 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 Venture 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 acquired 600 additional shares of Birla Lao Pulp & Plantations Company Limited at a cost of ₹ 3.94 Crore. There has been no change in the Ownership Percentage on account of this additional Investment.

4.3.2 Acquisition of Cement Units of Jaiprakash Associates Limited in Madhya Pradesh:

The Board of Directors of the UltraTech Cement Limited, a subsidiary of the Company (UltraTech), had approved acquisition of the cement units of Jaiprakash Associates Limited ("JAL"), situated at Bela and Siddhi in Madhya Pradesh, having cement capacity of 4.9 MTPA. The effectiveness of the Scheme was *inter alia* subject to the sanction of the Hon'ble Bombay High Court ("the High Court"). During the course of hearing for sanction of the Scheme, the High Court has indicated that based on the provisions of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 ("amended MMDR Act"), only mining leases granted under an auction could be transferred. Since the mining leases, which form part of the business to be transferred to the Company from JAL, were allotted to JAL and not granted under an auction, the same could not, in terms of the amended MMDR Act, be transferred. Under the circumstances, the Company applied for withdrawal of the Scheme filed before the High Court, which has been permitted.

4.3.3 Acquisition of Identified Cement Units of Jaiprakash Associates:

The Board of Directors of UltraTech has approved signing of definitive agreements for the acquisition of identified cement plants of Jaiprakash Associates Limited ("JAL") and its subsidiaries in the states of Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Uttarakhand and Andhra Pradesh having cement capacity of 21.20 MTPA at an enterprise value of ₹ 15,900 Crore. The transaction is subject to necessary regulatory approval.

4.3.4 The Supreme Court of India, by its judgement 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 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.

4.3.5 The Supreme Court of India has allowed an appeal filed by the State of Rajasthan in a matter relating to transfer of mining lease in the name of the UltraTech's wholly-owned subsidiary, Gotan Lime Stone Khanij Udyog Private Limited ("GKUPL"), and has directed the State of Rajasthan to frame and notify its policy relating to transfer of mining lease within one month of receipt of the order and, thereafter, pass an appropriate order in respect of the mining lease of GKUPL. Till such a decision is taken, status quo is to be maintained.**4.3.6** During the previous year, the Company's equity holding:

- (a) in Birla Jingwei Fibre Co. Ltd. (BJFCL), China, was 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., was 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 was credited to reserves.

4.4 OTHER NOTES**4.4.1** Other Operating Revenue includes VAT refund under State Investment Promotion Scheme, of ₹ 135.86 Crore (Previous Year ₹ 168.38 Crore) of UltraTech Cement Limited.

Interest and Wage Expenses are net of subsidy received, under State Investment Promotion Scheme, of ₹ 65.10 Crore (Previous Year ₹ 66.07 Crore) and of ₹ 7.11 Crore (Previous Year ₹ 6.57 Crore), respectively, of UltraTech.

4.4.2 Assets taken on Operating lease:

		₹ in Crores	
		Current Year	Previous Year
1	Operating Lease Payments recognised in the Statement of Profit and Loss	169.69	152.58
2	The total of future minimum lease payments under non-cancellable operating leases are as follows:		
	For a period not later than one year	7.54	3.48
	For a period later than one year and not later than five years	14.27	15.07
	For a period later than five years	0.17	-
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		

4.5 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 Crores	
		As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
	Share Capital	732.64	704.33
	Share Capital (Other than Equity)	91.28	90.73
	Reserves and Surplus	279.89	127.21
		1,103.81	922.27
Share Application Money Pending Allotment		1.18	1.23
Non-Current Liabilities			
	Long-Term Borrowings	349.15	524.74
	Deferred Tax Liabilities (Net)	35.01	9.05
	Other Long-Term Liabilities	-	-
	Long-Term Provisions	9.88	8.77
		394.04	542.56
Current Liabilities			
	Short-Term Borrowings	557.44	421.14
	Trade Payables	107.91	115.36
	Other Current Liabilities	89.08	103.34
	Short-Term Provisions	18.22	3.76
		772.65	643.60
TOTAL		2,271.68	2,109.66
ASSETS			
Non-Current Assets			
Fixed Assets			
	Tangible Assets	1,040.41	987.88
	Intangible Assets	3.05	2.04
	Capital Work-in-Progress	47.26	58.42
		1,090.72	1,048.34
	Goodwill on Consolidation	315.18	279.95
	Non-Current Investments	0.44	0.39
	Deferred Tax Assets (Net)	2.67	9.12
	Long-Term Loans and Advances	66.73	100.04

	₹ in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Current Assets		
Current Investments	42.60	28.66
Inventories	334.60	327.86
Trade Receivables	203.77	245.58
Cash and Bank Balances	116.90	16.30
Short-Term Loans and Advances	94.86	45.70
Other Current Assets	3.21	7.72
	795.94	671.82
TOTAL	2,271.68	2,109.66
Contingent Liabilities	0.18	0.34
Capital Commitments (Net of Advances)	-	0.34

4.5.2 STATEMENT OF PROFIT AND LOSS

	₹ in Crores	
	Current Year	Previous Year
REVENUE		
Sale of Products (includes Services Revenue)	2,156.62	2,114.20
Other Operating Revenues	18.21	28.35
Revenue from Operations	2,174.83	2,142.55
Other Income	9.09	4.36
Total Revenue	2,183.92	2,146.91
EXPENSES		
Cost of Materials Consumed	833.86	900.88
Purchases of Stock-in-Trade	29.12	55.91
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	52.78	18.10
Employee Benefits Expenses	287.69	293.48
Power and Fuel	203.36	258.63
Freight and Handling Expenses	233.31	226.94
Other Expenses	318.77	390.40
Total Expenses	1,958.89	2,144.34
Profit Before Interest, Depreciation/Amortisation and Tax	225.03	2.57
Finance Costs	40.53	38.26
Depreciation and Amortisation Expenses	83.76	86.97
Profit/(Loss) Before Tax	100.74	(122.66)
Provision for Current Tax	12.42	3.89
Provision for Deferred Tax	19.63	(30.56)
Profit/(Loss) for the Year	68.69	(95.99)

4.6 Competition Appellate Tribunal (COMPAT) has set aside the order dated 20th June, 2012, of Competition Commission of India (CCI) against UltraTech, and remitted the matter to CCI for fresh adjudication. Accordingly, Ultratech has, since received the refund of ₹ 117.55 Crore earlier, deposited by it with COMPAT.

₹ in Crores

		Current Year	Previous Year
4.7	CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF		
4.7.1	Claims/Disputed Liabilities not acknowledged as Debt:		
	Customs Duty	136.67	132.65
	Sales Tax/Purchase Tax/VAT	321.07	307.54
	Excise Duty/Cenvat Credit/Service Tax	949.36	814.20
	Water Cess	2.33	-
	Income Tax	1.44	156.88
	Various claims in respect of disputed liabilities of discontinued business in the earlier year	26.58	34.26
	Royalty on Limestone	314.10	294.58
	Annual minimum guarantee charges and fuel surcharge demanded by the State Electricity Board	65.70	-
	Others	561.45	359.61
	Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.		
4.7.2	Customs Duty Liability (Net of Cenvat Credit), which may arise if obligation for exports, is not fulfilled against import of raw materials and machinery	0.81	12.41
4.7.3	Corporate guarantees issued by the Subsidiary/Joint Venture Companies as under:		
a.	To Financial Institutions/Government Authorities/Others for finance provided to Joint Ventures	4.00	4.00
b.	To Government Authority towards exemption for payment of Excise Duty	3.00	3.00
c.	To Banks, by UltraTech, for assistance in arrangement of interest bearing loan to Jaiprakash Associates Ltd. as per their request with approval of Board	500.00	500.00
4.7.4	Bills discounted with Banks fully covered by buyers' letter of credit	4.87	6.25
4.7.5	a. Letters of Undertaking-cum-Indemnity given to Banks for finance provided to a Subsidiary, Aditya Birla Chemical (Belgium) BVBA	3.77	-
	Amount Outstanding against above	2.14	-
	b. Other Bank Guarantees	0.18	0.34
4.8	DEFERRED PREFERENCE SHARE DIVIDEND	1.79	1.72
4.9	CAPITAL AND OTHER COMMITMENTS		
4.9.1	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid)	1,105.08	1,568.62

4.10 SEGMENT REPORTING

4.10.1 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 the 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, expenses, assets and liabilities, which are not allocated to any business segment.

Information about Business Segments (Current Year):

₹ in Crores

	Fibre & Pulp	Chemicals	Cement	Others	Eliminations	Total
REVENUE						
Gross Sales (External)	8,039.17	3,113.95	28,507.22	596.56	-	40,256.90
Gross Sales (Inter-Segment)	45.43	607.34	6.29	0.17	(659.23)	-
Total Gross Sales (Note 3.1)	8,084.60	3,721.29	28,513.51	596.73	(659.23)	40,256.90
Other Income (including other Operating Revenues)	117.30	57.37	339.69	23.01	(10.51)	526.86
Unallocated Corporate Other Income						228.68
Total Other Income	117.30	57.37	339.69	23.01	(10.51)	755.54
Total Revenue	8,201.90	3,778.66	28,853.20	619.74	(669.74)	41,012.44
RESULTS						
Segment Results (PBIT)	787.51	544.92	3,594.69	39.56	(3.73)	4,962.95
Unallocated Corporate Income/(Expenses)						151.58
Finance Costs						(751.34)
Profit Before Exceptional Item and Tax						4,363.19
Exceptional Item						(27.85)
Profit Before Tax						4,335.34
Provision for Current Tax						877.17
MAT Credit						(330.68)
Provision for Tax of Earlier Year's Written Back						(7.51)
Deferred Tax						672.15
Profit After Tax						3,124.21
Add: Share in Profit of Associates						145.46
Less: Minority Interest						(910.52)
Net Profit						2,359.15
OTHER INFORMATION						
Segment Assets	7,926.04	4,370.69	38,171.62	461.40	(11.16)	50,918.59
Unallocated Corporate Assets						8,716.68
Total Assets						59,635.27
Segment Liabilities	838.03	546.83	5,583.25	153.02	(6.19)	7,114.94
Unallocated Corporate Liabilities						18,205.18
Minority Interest						8,484.47
Total Liabilities						33,804.59
Capital Expenditure	207.29	481.63	2,068.70	10.47	-	2,768.09
Unallocated Corporate Capital Expenditure						34.78
Total Capital Expenditure						2,802.87
Depreciation and Amortisation	305.75	201.94	1,368.35	18.88	-	1,894.92
Unallocated Corporate Depreciation and Amortisation						16.04
Total Depreciation and Amortisation						1,910.96
Significant Non-Cash Expenses other than Depreciation						35.64

Information about Business Segments (Previous Year):

₹ in Crores

	Fibre & Pulp	Chemicals	Cement	Others	Eliminations	Total
REVENUE						
Gross Sales (External)	6,935.68	1,399.43	27,109.40	613.64	-	36,058.15
Gross Sales (Inter-Segment)	51.99	455.99	9.06	0.24	(517.28)	-
Total Gross Sales (Note 3.1)	6,987.67	1,855.42	27,118.46	613.88	(517.28)	36,058.15
Other Income (including other Operating Revenues)	119.69	28.77	324.90	28.72	(11.60)	490.48
Unallocated Corporate Other Income						458.19
Total Other Income	119.69	28.77	324.90	28.72	(11.60)	948.67
Total Revenue	7,107.36	1,884.19	27,443.36	642.60	(528.88)	37,006.82
RESULTS						
Segment Results (PBIT)	217.60	197.62	3,272.65	49.05	(4.23)	3,732.69
Unallocated Corporate Income/(Expenses)						387.51
Finance Costs						(667.39)
Profit Before Exceptional Item and Tax						3,452.81
Exceptional Item						(9.46)
Profit Before Tax						3,443.35
Provision for Current Tax						628.78
MAT Credit						(598.95)
Provision for Tax of Earlier Year's Written Back						(2.28)
Deferred Tax						988.37
Profit After Tax						2,427.43
Add: Share in Profit of Associates						154.23
Less: Minority Interest						(837.86)
Net Profit						1,743.80
OTHER INFORMATION						
Segment Assets	7,979.63	2,147.95	35,367.95	458.68	(9.65)	45,944.56
Unallocated Corporate Assets						8,107.01
Total Assets						54,051.57
Segment Liabilities	866.43	226.35	5,307.25	138.81	(5.44)	6,533.40
Unallocated Corporate Liabilities						16,696.63
Minority Interest						7,681.79
Total Liabilities						30,911.82
Capital Expenditure	374.81	94.01	2,846.81	20.51	-	3,336.14
Unallocated Corporate Capital Expenditure						71.70
Total Capital Expenditure						3,407.84
Depreciation and Amortisation	241.67	94.22	1,203.42	17.17	-	1,556.48
Unallocated Corporate Depreciation and Amortisation						6.74
Total Depreciation and Amortisation						1,563.22
Significant Non-Cash Expenses other than Depreciation						17.22

4.10.2 Secondary Segment Reporting (by Geographic Segment):

₹ in Crores

	Current Year	Previous Year
Segment Revenues (Gross Sales):		
India	34,485.03	31,026.45
Rest of the World	5,771.87	5,031.70
Total	40,256.90	36,058.15
Segment Assets:		
India	45,267.32	40,518.81
Rest of the World	5,651.27	5,425.75
Total	50,918.59	45,944.56
Capital Expenditure:		
India	2,529.71	3,164.32
Rest of the World	238.38	171.82
Total	2,768.09	3,336.14

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	Madanpur (North) Coal Company (Private) Limited
Birla Lao Pulp & Plantations Company Limited, Laos	Bhaskarpara Coal Company Limited

* with effect from 1st April 2016, these companies have been merged into "AV Group NB Inc."

Associates:

Aditya Birla Science & Technology Company Private Limited	Idea Cellular Limited
---	-----------------------

Key Management Personnel:

Shri K.K. Maheshwari, Managing Director (till 31st March, 2016)
Shri Sushil Agarwal, Whole-time Director (w.e.f. 1st July, 2015)
Shri Adesh Gupta, Whole-time Director (upto 30th June, 2015)
Shri O.P. Puranmalka, Managing Director (till 31st March, 2016) UltraTech Cement Ltd.

Relatives of Key Management Personnel:

Relative (wife) of Shri Adesh Gupta
Smt. Usha Gupta (upto 30th June, 2015)
Relative (wife) of Shri O.P. Puranmalka
Smt. Sita Puranmalka (till 31st March, 2016)

4.11.2 Nature of Transactions:

	₹ in Crores	
	Current Year	Previous Year
(a) Sales and Services (Gross)		
Birla Jingwei Fibres Co. Limited	42.86	106.97
Total	42.86	106.97
(b) Interest and Other Income		
AV Cell, Inc.	2.04	1.98
Aditya Birla Science & Technology Company Private Limited	1.10	1.09
Idea Cellular Limited	2.85	0.02
Total	5.99	3.09
(c) Dividends Received		
Idea Cellular Limited	10.26	6.84
Total	10.26	6.84
(d) Purchase of Goods/Payment of Other Services (Net of Cenvat Credit, if available)		
AV Cell, Inc.	291.88	249.38
AV Nackawic, Inc.	341.34	256.04
Aditya Group AB	447.94	398.48
Aditya Birla Science & Technology Company Private Limited	26.21	22.87
Idea Cellular Limited	1.66	0.89
Relatives of Key Management Personnel	0.24	0.25
Total	1,109.27	927.91

		₹ in Crores	
		Current Year	Previous Year
(e) Managerial Remuneration Paid			
Shri K. K. Maheshwari, Managing Director		9.38	8.05
Shri Adesh Gupta, Whole-time Director & CFO*		4.27	2.85
Shri Sushil Agarwal, Whole-time Director & CFO		1.50	-
Shri O. P. Puranmalka, Managing Director (UltraTech)		9.13	7.42
Total		24.28	18.32
(f) Investments in Equity Shares/Debentures/Preference Shares			
Aditya Group AB, Sweden		-	49.25
Birla Lao Pulp & Plantations Company Limited		3.94	5.13
AV Terrace Bay Inc.		-	11.01
Total		3.94	65.39
(h) Advance Given against Equity			
Madanpur (North) Coal Company (Private) Limited		0.05	-
Total		0.05	-
(i) Purchases of Fixed Assets			
Aditya Birla Science & Technology Company Private Limited		-	0.14
Total		-	0.14
Outstanding Balances as on the year end			
(j) Trade Payables			
AV Cell, Inc.		23.15	34.67
AV Nackawic, Inc.		35.57	41.80
Aditya Group AB		43.82	31.04
Aditya Birla Science & Technology Company Private Limited		-	10.22
Total		102.54	117.73
(k) Other Current Liabilities			
Aditya Birla Science & Technology Company Private Limited		-	0.25
Total		-	0.25
(l) Trade Receivables			
Birla Jingwei Fibres Company Limited, China		13.92	9.57
Idea Cellular Limited		2.32	-
Total		16.24	9.57
(m) Advances Given against Equity			
Madanpur (North) Coal Company (Private) Limited		-	0.05
Bhaskarpara Coal Company Limited		2.49	2.49
Total		2.49	2.54
(n) Long-Term Loans and Advances			
AV Cell, Inc.		34.58	33.10
Aditya Birla Science & Technology Company Private Limited		1.40	11.83
Relatives of Key Management Personnel		0.98	0.98
Total		36.96	45.91
(o) Short-Term Loans and Advances			
Aditya Birla Science & Technology Company Private Limited		44.72	34.29
Key Management Personnel		-	1.50
Total		44.72	35.79
(p) Guarantees and Collaterals			
Bhaskarpara Coal Company Limited		4.00	4.00
Total		4.00	4.00

Note: Transactions with Joint Ventures are reported at full values.

* Includes ₹ 1.32 Crore paid by Gratuity Trust of the Company during the current year

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 the 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 Crores

	Gratuity (Funded)		Pension	
	Current Year	Previous Year	Current Year	Previous Year
(i) Reconciliation of Present Value of the Obligations:				
Opening Defined Benefit Obligations	511.90	430.36	16.79	16.34
Adjustments of:				
Current Service Costs	38.40	29.77	-	-
Interest Costs	43.58	39.56	1.25	1.40
Actuarial Loss/(Gain)	7.95	44.29	0.18	1.14
Liabilities transferred from JCCL pursuant to the Scheme of Arrangement (Note 4.3.4)	-	1.43	-	-
Liabilities assumed on acquisition/(settled on divesture)	*28.10	(1.01)	-	-
Benefits Paid	(38.04)	(32.50)	(2.13)	(2.09)
Closing Defined Benefit Obligation	591.89	511.90	16.09	16.79
(ii) Reconciliation of Fair Value of the Plan Assets:				
Opening Fair Value of the Plan Assets	512.97	452.04	-	-
Adjustments of:				
Expected Return on Plan Assets	39.51	33.92	-	-
Actuarial Loss/(Gain)	8.91	14.07	-	-
Contributions by the Employer	44.41	45.03	2.13	2.09
Liabilities transferred from JCCL pursuant to the Scheme of Arrangement	-	1.43	-	-
Assets acquired on acquisition/(settled on divesture)	*10.63	(1.01)	-	-
Benefits Paid	(38.04)	(32.50)	(2.13)	(2.09)
Closing Fair Value of the Plan Assets	578.39	512.98	-	-
(iii) Net Liabilities/(Assets) recognised in the Balance Sheet:				
Present Value of the Funded Defined Benefit Obligations at the end of the period	591.89	511.90	16.09	16.79
Fair Value of the Plan Assets	578.39	512.98	-	-
Net Liabilities/(Assets) recognised in the Balance Sheet	13.50	(1.08)	16.09	16.79
(iv) Amount recognised in Salaries, Wages and Employee Benefits in the Statement of Profit and Loss as:				
Current Service Costs	38.40	29.77	-	-
Interest on Defined Benefit Obligations	43.58	39.56	1.25	1.40
Expected Return on Plan Assets	(39.51)	(33.92)	-	-
Net Actuarial Loss/(Gain) recognised during the year	(0.96)	30.23	0.18	1.14
Net Cost	41.51	65.64	1.43	2.54
Capitalised as Pre-Operative Expenses in respect of Project and other adjustments	0.91	(1.31)	-	-
Net Charge to the Statement of Profit and Loss	42.42	64.33	1.43	2.54

₹ in Crores

	Gratuity (Funded)		Pension	
	Current Year	Previous Year	Current Year	Previous Year
(v) Actual Return on Plan Assets:				
Expected Return on Plan Assets	39.51	33.92	N.A.	N.A.
Actuarial Gain/(Loss) on Plan Assets	8.91	14.07	N.A.	N.A.
Actual Return on Plan Assets	48.42	47.99	N.A.	N.A.
(vi) Investment Details of the Plan Assets:				
Government of India Securities	2%	4%	N.A.	N.A.
Corporate Bonds	2%	3%	N.A.	N.A.
Insurer Managed Funds	92%	91%	N.A.	N.A.
Others	4%	2%	N.A.	N.A.
Total	100%	100%	N.A.	N.A.
(vii) Principal Actuarial Assumptions at the Balance Sheet Date:				
Discount Rate	8.06% to 8.15%	7.89% to 8.00%	8.06% to 8.15%	7.89% to 8.00%
Estimated Rate of Return on Plan Assets	7.50% to 8.00%	7.50% to 8.00%	-	-
Salary Escalation Rate	8.00%	7.50% to 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

* Includes Liability of ₹ 27.52 Crore and Assets of ₹ 10.06 Crore, respectively, on account of amalgamation of Aditya Birla Chemicals (India) Limited with the Company.

Note: There are no amounts included in the Fair Value of the 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 amounts included in the Fair Value of the 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):

₹ in Crores

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Obligations	591.89	511.90	430.36	419.78	361.81
Fair Value of the Plan Assets	578.39	512.97	452.04	419.15	360.30
Surplus/(Deficit)	(13.50)	1.07	21.68	(0.63)	(1.51)
Expected Adjustments on Plan Liabilities	14.51	6.77	0.77	10.34	16.18
Expected Adjustments on Plan Assets	8.91	14.07	7.61	9.27	2.98

₹ in Crores

(b) Pension Liabilities:

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Obligations	16.09	16.79	16.34	17.61	17.28
Fair Value of the Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(16.09)	(16.79)	(16.34)	(17.61)	(17.28)
Expected Adjustments on Plan Liabilities	0.35	(0.01)	0.48	0.64	0.20

Note: The obligation for compensated absence is recognised in the same manner as gratuity, amounting to charge of ₹ 32.36 Crore (Previous Year charge ₹ 46.49 Crore).

4.12.1.3 The best estimate of the expected Contribution for the next year amounts to ₹ 36.06 Crore (Previous Year ₹ 26.05 Crore).

4.12.2 Defined Contribution Plans:

Amount recognised as expense and included in the Note 3.7, "Contribution to Provident and Other Funds," ₹ 103.55 Crore (Previous Year ₹ 93.89 Crore).

4.13 DISCLOSURE OF DERIVATIVE INSTRUMENTS
4.13.1 Derivative Instruments as on 31st March, 2016:

In Crores

Type of Instrument	Type of Exposure	Currency	Current Year	Previous Year	Cross Currency
(a) Forward Contracts	Exports (Receivables)	USD	1.17	1.80	INR
		SEK	0.82	2.60	
		CNH	1.00	0.82	USD
		EURO	1.72	1.88	USD
	ECB*	USD	0.86	-	INR
		JPY	-	30.00	USD
	EPC^	USD	1.45	-	INR
	Others	EURO	0.05	0.03	
	Imports (Payables)	EURO	1.27	0.21	USD
		USD	8.49	6.64	INR
		AUD	0.02	-	USD
		JPY	-	2.60	USD
(b) Currency and Interest Rate Swaps	ECB*	USD	35.82	40.37	INR
		JPY	546.64	816.64	INR
(c) Principal only Swap	ECB*	USD	8.64	14.51	INR
		JPY	-	540.00	USD

* ECB – External Commercial Borrowings

^ EPC – Export Packing Credit

4.13.2 Derivatives for hedging South African Coal price risk (from floating price to fixed price), outstanding as on 31st March, 2016, are as under:

In Crores				
Particulars	Quantity Hedged (Metric Tonne)	Currency	Current Year	Previous Year
South African Coal Fixed Price Swaps	1500 (Previous Year 50,000)	USD	0.03	2.93

4.13.3 Unhedged Foreign Currency Exposure as on 31st March, 2016:

Type of Exposure	Foreign Currency	Amount in Foreign Currency (In Crores)		Equivalent ₹ in Crores	
		Current Year	Previous Year	Current Year	Previous Year
Exports (Receivables)	USD	3.48	4.54	230.81	283.60
	CNH	0.35	0.44	3.58	4.44
	Euro	0.02	0.03	1.49	1.79
Imports (Payables)	USD	0.04	0.20	2.74	12.38
	Euro	0.03	0.12	2.04	8.12
Bank Balances	USD	0.46	0.17	30.63	10.79
	Euro	0.01	-	1.08	-
Borrowings	USD	3.93	6.17	260.92	385.48
Loans (Receivables)	CAD	0.68	0.68	34.58	33.10

4.14 Additional Information as required by paragraph 2 of the General instruction for preparation of CFS 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 Crores)	As % of Consolidated Profit or Loss	Amount (₹ in Crores)
A	Parent (Holding Co.)	42.14%	10,756.28	33.7%	795.55
B	Subsidiaries				
	Indian				
1	UltraTech Cement Limited (Consolidated) (60.25%)	81.89%	21,334.18	96.99%	2,288.18
2	Sun God Trading and Investments Limited (100%)	0.00%	0.47	0.00%	0.02
3	Samruddhi Swastik Trading and Investments Limited (100%)	0.15%	39.15	0.07%	1.69
4	Grasim Bhiwani Textiles Limited (100%)	0.41%	106.75	-0.49%	(11.66)
	Foreign				
1	Aditya Birla Chemicals (Belgium) BVBA (100%)	0.00%	0.34	-0.03%	(0.81)
	Minority Interest in all Subsidiaries	-32.57%	(8,484.47)	-38.60%	(910.52)
	Sub-total (B)	49.89%	12,996.42	57.97%	1,366.90
C	Associates (Investments as per Equity Method)				
	Indian				
1	Aditya Birla Science & Technology Co. Ltd. (39%)	0.00%	1.07	-0.04%	(0.83)
2	Idea Cellular Limited (4.75%)	4.07%	1,059.74	6.20%	146.29
	Sub-total (C)	4.07%	1,060.81	6.17%	145.46

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 Crores)	As % of Consolidated Profit or Loss	Amount (₹ in Crores)
D	Joint Ventures (As per Proportionate Consolidation)				
	Indian				
1	Bhubaneswari Coal Mining Limited (26%)	0.23%	60.93	0.82%	19.32
	Foreign				
1	AV Cell Inc. (45%)	0.67%	173.30	0.64%	15.09
2	AV Nackawic Inc. (45%)	0.73%	188.98	0.24%	5.57
3	Birla Jingwei Fibres Co. Limited (26.63%)	0.14%	36.27	0.05%	1.20
4	Birla Lao Pulp & Plantations Company Limited (40%)	0.29%	74.62	-0.06%	(1.34)
5	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (33.33%)	0.21%	55.31	0.20%	4.82
6	Aditya Group AB (33.33%)	1.70%	443.26	0.82%	19.26
7	AV Terrace Bay Inc. (40%)	-0.06%	(15.50)	-0.54%	(12.68)
	Sub-total (D)	3.90%	1,017.17	2.17%	51.24
	TOTAL (A + B + C + D)	100.00%	25,830.68	100.00%	2,359.15

Note: Figures provided above are net of inter company eliminations.

- 4.15** The Company has spent ₹ 66.22 Crore on Corporate Social Responsibility projects/initiatives during the year including ₹ 5.79 Crore towards capital expenditure (Previous Year ₹ 61.28 Crore including ₹ 4.98 Crore towards capital expenditure).
- 4.16** Previous year's figures have been regrouped and rearranged, wherever necessary, to confirm to this year's classification.
- 4.17** Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.

Signatures to Note '1' to '4'

For GRASIM INDUSTRIES LIMITED

Dilip Gaur
Managing Director

R. C. Bhargava
M. L. Apte
Directors

Sushil Agarwal
Whole-time Director &
Chief Financial Officer

Mumbai
Dated: 7th May, 2016

Hutokshi Wadia
Company Secretary

ADITYA BIRLA



GRASIM

livafluidfashion.com #livafluidfashion

Kangana Ranaut

KANGANA RANAUT

livaTM
natural fluid fashion

Introducing LIVA
NATURAL NEW-AGE FABRICS
THAT INFUSE FLUIDITY INTO GARMENTS.

Just like liquid, when you move,
it moves with you! Experience LIVA,
experience natural fluid fashion.



Fibres from
Nature



ADITYA BIRLA GROUP

Every construction is your style statement

Every structure you build is an everlasting statement to your expertise and effort. Make it a tribute to your creativity; a hallmark of your imagination; a statement of your aesthetic style. When you build to last forever, why build ordinary. Build beautiful.

UltraTech
C E M E N T
The Engineer's Choice

ADITYA BIRLA



GRASIM

livafluidfashion.com
#livafluidfashion

experience fluid fashion

"Summer's here, and my Liva infused clothes are as cool as they get. Having Liva in my wardrobe during this season is perfect, because it's a nature-based fabric that effortlessly drapes around me without being clingy. It's fashion so fluid, that when I move - it moves with me!"

KANGANA RANAUT

Liva
natural fluid fashion