



24<sup>th</sup> September 2018

**BSE Limited**  
**Corporate Relationship Department**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
P J Towers, Dalal Street,  
Fort, Mumbai - 400 001

**The Secretary**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza  
Bandra-Kurla Complex, Bandra ( East)  
Mumbai - 400 051

Dear Sirs,

**Sub: Annual Report for the year ended 31<sup>st</sup> March 2018 under Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report of the Company for the year ended 31<sup>st</sup> March 2018 alongwith Notice dated 14<sup>th</sup> August 2018.

We request you to take the same on your records.

Thank you.

Yours faithfully,  
**For Grasim Industries Limited**

**Hutokshi Wadia**  
**President & Company Secretary**



Encl.: a/a

**FOREST TO FASHION. SUSTAINABLE SOLUTIONS.  
GLOBAL VSF PLAYER.**



**ANNUAL REPORT  
2017-18**

**GRASIM  
INDUSTRIES  
LIMITED**

**BIG IN  
YOUR LIFE**



# TRIBUTE TO A VISIONARY AND A PASSIONATE ENTREPRENEUR



**Mr. Aditya Vikram Birla**

(14.11.1943 - 01.10.1995)

We live by his Values.  
Integrity, Commitment, Passion,  
Seamlessness and Speed.



# THE CHAIRMAN'S LETTER TO THE SHAREHOLDERS

India's economy is emerging strongly from the transitory effects of demonetisation and implementation of Goods and Services Tax (GST).

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## **Dear Shareholders,** **Global Economy**

The global economy is on a rebound. The International Monetary Fund (IMF) estimates indicate that global real GDP grew 3.8% in 2017. This is the highest growth pace over the last six years. It is also the broadest synchronised global growth upsurge, since 2010 as underlined by IMF.

This impetus from a supportive monetary policy was further buoyed by a revival of investment spending in advanced economies. The expansionary fiscal and monetary policies in the US led to improve





growth prospects. The US grew at 2.3% in 2017 as against 1.5% in 2016. Growth accelerated in Europe and Asia too.

The global economic recovery is expected to continue. For the current and the next year, a strong growth at 3.9% is projected. This positive outlook is somewhat clouded. Increased trade protectionism, rising international crude oil prices, geo-political risks and the uncertainty about normalisation of monetary policies in advanced economies from highly accommodative conditions in the past, are some of the factors that dim the outlook.

### Indian Economy:

India's economy is emerging strongly from the transitory effects of demonetisation and implementation of Goods and Services Tax (GST). Although India's GDP growth slowed from 7.1% in FY 2017 to 6.7% in FY 2018, the economy recorded a seven-quarter high GDP growth of 7.7% in the exit quarter of FY 2018. This reflects momentum.

India's macroeconomic indicators remain healthy. The fiscal deficit has been cut to 3.5% of GDP. India's foreign exchange reserves as at March end stood at a comfortable level of USD 424 Billion.

Investors seem to be positive on India's economic prospects. The Foreign Direct Investment (FDI) flows continue to be encouraging. India's global ranking on the ease of doing business notched up to 100 from 142 in barely four years, while that on global competitiveness index has climbed from 71st in 2014-15 to 39th in 2016-17.

The prevailing sense of optimism accentuates India's continuing economic growth in the future as well. It is attributable to the country's solid fundamentals, such as deleveraging by corporates, resulting in much stronger balance sheets, better capacity utilisation with consumption demand becoming stronger, and insolvency and bankruptcy process weeding out non-performing assets, among others. The Government's unwavering push for infrastructure projects – Bharatmala Pariyojana, airports, metros, affordable housing, urbanisation, smart cities and digitisation are excellent stimulators for the economy's growth in the medium-term.

At the same time, we cannot ignore near-term challenges. The bucket of concerns consist of rising oil prices, hardening inflation, firming bond yields and widening current account deficit. The ongoing global trade frictions, particularly between the US and China, are worrisome and can have a spillover

Despite the challenging environment, your Company recorded an impressive Revenue of ₹ 57,338 Cr. with EBITDA of ₹ 10,881 Cr. in FY 2017-18 on a consolidated basis.

negative effect on countries like India. So the terrain ahead could be a tad bumpy depending on the economic and geopolitical environment.

### Your Company's performance

Despite the challenging environment, your Company recorded an impressive Revenue of ₹ 57,338 Cr. with EBITDA of ₹ 10,881 Cr. in FY 2017-18 on a consolidated basis.

### Viscose:

Your Company's Viscose Staple Fibre (VSF) business reported yet another year of a strong operational and financial performance. VSF plants operated at full capacity across various locations. Unrelenting focus on product quality, constant innovation and superior customer service, have been at the core of your Company's VSF operations.

Its brand "LIVA" has gained enormous traction. Today, over 29 Million garments feature the LIVA tag, clearly a testament to the discerning customer's choice.

Through brown field expansion and debottlenecking initiatives, we plan to expand VSF capacity to 788 KT from 498 KT by FY 2020-21.

Viscose Sales Revenue grew by 11% YoY to ₹ 8,538 Cr. in FY 2017-18. EBITDA rose to ₹ 1,680 Cr. up 17% YoY. Despite strong headwinds from input costs like caustic soda and sulphur, that the business did so well is commendable.

I am delighted to inform you that your Company's sensitivity to environment conservation and sustainable forestry is being increasingly lauded. The NGO Canopy, in its Hot Button Report ranked your Company as the Number ONE globally for its work on the conservation of ancient and endangered forests.

Viscose Filament Yarn (VFY) business, is now a part of your Company, consequent to the merger of Aditya Birla Nuvo Ltd. (1st July, 2017). Your Company has also acquired the rights to operate and manage the Century Rayon Division of Century Textiles and Industries Ltd. from the 1st of February, 2018. It has done well during the year, recording a healthy return of 28% on the capital employed.

### Chemicals:

It has been a remarkable year for the Chlor Alkali industry as it witnessed an improvement in utilisation levels. This was led by greater demand from the user industry. Caustic soda prices rose sharply driven by global factors such as (i) Weather related disruption in the US, bringing a halt on the logistics side (ii) Phasing out of mercury-based technology in Europe by Dec-17 and (iii) Capacity shutdown in China on the back of environmental-related concerns.

While the demand for caustic soda remained firm, barring a brief period during the implementation of GST. The demand for chlorine was subdued for most part of the year. Going forward, the demand and supply situation for the industry is well balanced for the next couple of years with a limited visibility of large new capacity additions.

The Chemical business saw a record 22% YoY rise in the Revenue to ₹ 5,105 Cr. and 54% YoY increase in the EBITDA to ₹ 1,300 Cr. in FY 2017-18, on better realisation and volumes. With ongoing brownfield capacity expansion, the Caustic Soda capacity is set to increase by 200 KT to 1,140 KT by H1FY 2018-19.

### Pulp & Fibre JVs:

We have strategic investments in pulp units in Canada and Sweden. These cater to 50% of our pulp requirement. These JVs ensure consistency in the supply of prime quality pulp to our Indian operations.

### Other Businesses:

The operational performance of the fertiliser business was satisfactory. The demand for fertiliser remained strong on account of a good monsoon.

The linen business with an expanded capacity of 6,250 MTPA maintained its leadership. It enjoys 39% market share in the linen yarn segment.

The overall demand in the Indian Insulator market remained subdued. Your Company is increasingly diversifying towards composite insulators, which is in line with the market demand.

The MDA gives a detailed analysis of your Company's businesses. I am sure you will read it with interest. I believe, going forward, your Company will continue its unrelenting pursuit of enhancing shareholder value, and growth in earnings and revenues.

### Outlook

The Company's leadership position in Viscose and Chemicals segments will get further strengthened by the new expansion plans. I believe, going forward, your Company will continue its unrelenting pursuit of enhancing shareholder value, and growth in earnings and revenues.

### What Give Us The Edge

Undeniably our people, their dedication to work, their sense of belongingness and pride in the Group, their putting the organisation first and living our values. I acknowledge their contribution and count on their continued commitment to take our business far ahead.

### The Aditya Birla Group: In Perspective

The year 2017-18 has been a momentous year on all counts. We reached a record revenue of USD 43 Billion with an EBITDA of USD 6 Billion. Our Group's market cap crossed the USD 50 Billion mark. These spectacular achievements are a reflection not only of our growing size and scale, the inherent soundness of our strategies and operations, but importantly the enormous confidence that investors and other stakeholders have reposed in us.

I am delighted to share with you that Aon Hewitt, a reputed global consulting firm, in the 'Best Employers 2018' study conducted by them, have named our Aditya Birla Group as the 'Best Employer' in India.

The year 2017-18 has been a momentous year on all counts. We reached a record revenue of USD 43 Billion with an EBITDA of USD 6 Billion. Our Group's market cap crossed the USD 50 Billion mark.

**Moving on to our people processes**, what strikes me most is that the development and leadership aspects embedded in it, are all futuristic. I believe, we are headed in the right direction. Let me give you a flavour of what we have accomplished and how we are constantly refreshing and reengineering our HR initiatives.

Our Group HR has formulated a unique proposition for leadership development through the 2x2x2 formula. It is structured in a manner that accords opportunities to high talent to work in two businesses across two geographies and in two functions. Such an approach, should give a holistic experience and help prepare our leaders of the future.

I had apprised you earlier on the talent councils led by Business Heads and Directors at Group, business and at the functional levels. So far more than 250 talent council meetings have been held with over 8,000 development conversations and actions initiated for these colleagues. I have attended several of these meetings and am much encouraged by the positivity and enthusiasm they generate among employees down the line. They rightly believe that talent will always bubble to the top.

More than ever before in the people domain two segments that have grabbed the attention of progressive corporates, comprise of the millennials and gender diversity issue. In our Group, 52% of our executives are under 35 years of age. They are the leaders of tomorrow whom we need to groom today.

Today women constitute over 14% of our employee force. Game-changing career enabling policies have been introduced. These include work-life issues such as maternity, childcare, flexi time, local commute and accompanied travel for the child and the caretaker. Alongside as part of the family support initiative, paternity leave is also being provided.

For younger employees, through our flagship programme, which is the Aditya Birla Group Leadership Programme (ABGLP), we are building a robust talent pipeline at the entry, junior and middle levels who over the years move into senior leadership. From this cadre, over 350 youngsters have been placed across the Group.

Gyanodaya, the Aditya Birla Global Centre for Leadership and Learning continues its commitment to prepare P&L and manufacturing leaders through Accelerated Leadership

Development programmes. I take great pride in Gyanodaya bagging Gold Award as Best Corporate University – Culture and Brand in Global CCU Awards 2017, “for operating at the highest levels of excellence and creating value for people, business and society”.

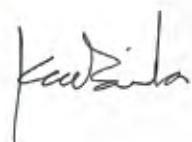
The sales, marketing and customer-centricity academy, the HR academy enabled 1,765 managers hone their expertise to greater heights. The Gyanodaya virtual campus continues to offer 900+ e-learning modules in multiple languages. During the year nearly 40,000 employees leveraged the e-learning programme.

We are enhancing our HR processes for scale, agility and consistent employee experience. A comprehensive HR assurance and excellence framework, the HR portal to enable the last-mile employee anytime anywhere connect, SeamEx, the Group HR Shared Services Centre are milestones in this journey, as they enthuse and energise our people.

### In sum

Our Group's robust revenue growth, healthy EBITDA margins, deploying capital efficiently and generating cash flows, support our ambitious growth plans. Innovation and spirit of entrepreneurship that our employees bring to work is amazing and a major contributant to our Group scaling newer heights year after year.

Yours sincerely,



**Kumar Mangalam Birla**





Viscose Staple Fibre (VSF) - Liva

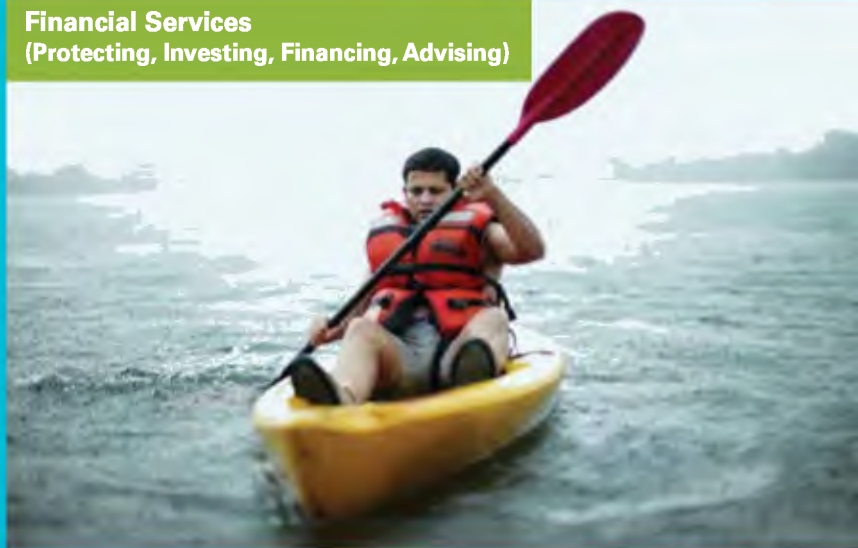


Chemicals

GRASIM

# BIG IN YOUR LIFE

Financial Services  
(Protecting, Investing, Financing, Advising)



Cement



# VSF: FOREST TO FASHION

## #1

Viscose Staple Fibre (VSF) player in India



### PULP

Manufactured in  
Canada, Sweden  
& India



### VSF

India

## Our Fibre



### Birla Viscose

A first generation cellulosic fibre. Fabrics are fluid and fashionable



### Birla Modal

A second generation viscose. Endeavors to be luxurious soft fabric loved by designers



### Birla Spunshades

A vibrant coloured, spun-dyed fibre that is made by injecting colour pigments within the fibre itself



### Birla Excel

The comfort and luxury of a natural fibre, with the strength and performance characteristics of a synthetic one



### FOREST WOOD

(Sourced from  
Canada,  
Sweden & India)

Grasim is present from Pulp to VSF



**YARN****FABRIC****VSF – Properties****NATURAL**

Soothing and comforting. Great breathability due to its natural origin

**FALLS WELL**

Fabrics are uniquely fluid

**STYLISH & NATURAL SHEEN**

Naturally chic

**GARMENT**

Apparel, Home  
Textiles, Industrial  
Segment  
& Non-Woven

**VSF – Sustainable choice**

Viscose is also the most sustainable fibre, being totally bio-degradable and made from natural materials.

**VISCOSE**

8 Weeks

**COTTON**

15 Weeks

**SYNTHETIC**

>100 years

**BRAND & RETAIL**



# LIVA - PIONEERING INGREDIENT **BRANDING**



LIVA is Grasim's ingredient branding with a natural fluid fashion promise to the customers. LIVA assures high quality fabric applied through accredited value chain termed as Liva Accredited Partner forum (LAPF). LIVA Eco system delivers consumers continuous innovation in top quality fluid fashionable clothing.

## LIVA Accredited Partner Forum (LAPF)

LAPF is a forum that connects the entire textile value chain – from spinners to processors and from fabricators to fashion brands.

### 400+

Cellulose-based  
manufacturers

### 60+

cities across India

### 100+

brands endorse LIVA tag

## LIVA STUDIO

with 1000+ Samples of VSF

## LIVA Tagging

LIVA tagging of products and on packing assures customers that the fabric has been manufactured with authentic LIVA fibres.

*And other leading outlets and brands*



# CHEMICALS – CHLOR ALKALI AND EPOXY

Grasim is embarking on Chlorine integration by expanding its speciality chemical portfolio that has applications in Water Treatment, Plastics & Polymers, Agri-Chemicals, Dyes & Pigments, Pharmaceuticals, Food, Cosmetics and many more

**#1**

Caustic Soda and Epoxy  
player in India

**29%**

Capacity Market share  
in India

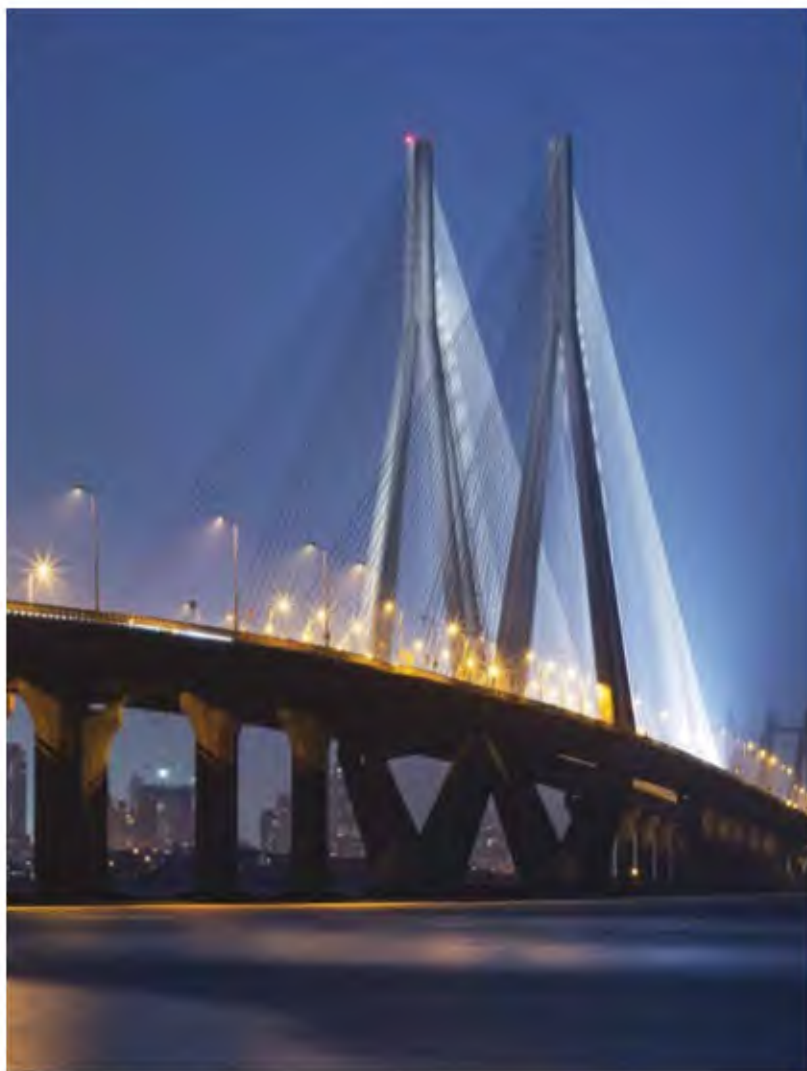






# ULTRATECH CEMENT

Through its subsidiary, UltraTech Cement Ltd., the largest cement manufacturer in India. It also ranks amongst the No. 4 producer globally (ex-China)



## Growth

- Consolidated capacity at 90.8 mtpa
- Proven Capabilities to Grow: Organically 49 Mtpa and Inorganically 42 Mtpa

## Market Leadership

- "UltraTech" - Premium national brand
- Leadership in key consuming markets
- Strong nationwide distribution network

## Cost Leadership

- Latest Technology Plants
- > 85% Power Self-Sufficiency through TPP & WHRS
- Hub and Spoke Model through Split GUs/ Terminals near market & Efficient Logistics



India's Largest  
Cement Selling  
Brand



No. 1 RMC player  
in India with  
~ 110 plants



Different products to provide complete  
Building Solutions ~ 1,600 stores



No.1 Player of White  
Cement & Cement  
based Putty

# ADITYA BIRLA CAPITAL

## PROTECTING

Solutions that enable individuals to protect what they value

### LIFE INSURANCE

Individual FYP  
₹ **1,152** Cr.

### HEALTH INSURANCE

GWP  
~ ₹ **244** Cr.

## INVESTING

Solutions that enable individuals to realise their aspirations by making their money work for them

### AMC

AAUM  
₹ **2,67,739** Cr.

Equity Market Share  
**9.2%**

## FINANCING

Solutions that enable individuals to fulfil their needs and desires without delay

### NBFC

Lending Book  
₹ **43,242** Cr.

### HOUSING FINANCE

Lending Book  
₹ **8,137** Cr.

## ADVISING

Understand people's lives and advise the right solutions basis their money needs

### INSURANCE ADVISORY

Premium Placement  
₹ **3,236** Cr.

### ADITYA BIRLA MYUNIVERSE

Registered Users  
**4.5** Million

As on 31st March 2018.





# SUSTAINABILITY

Grasim is committed to protecting the environment by continuously adopting new processes and technologies in an attempt to minimise pollution and waste generation

## WATER

### Reduction of Water Consumption

- **New techniques** developed leading to 30 litres of **water saving** for every metre of Fibre
- VSF operations **reduced water consumption** by **30%** in past 10 years
- Continuous reduction in water consumption aiming for **zero liquid discharge** in chemicals plants

## KEY INPUTS

- **60%** of the wood is **certified by FSC®**
- **Ranked 1st** by **Canopy's Hot Button Report** (No Wood Sourcing from endangered forests). This ranking is highly valued by **global brands**
- We apply Higg Index to our **operations and collaborate** with our customers in the textile and apparel industry which make use of this tool
- Chemical business has pioneered using washed salt in India, for **reduction in sludge generation**



- Our products Birla Viscose, Birla Modal, Birla Excel & Birla Spunshades are USDA Biobased Certified
- Gold Level Material Health Certification for Birla Spunshades from Cradle to Cradle Products Innovation Institute

## RENEWABLES

- Promoting use of **Renewable sources** - Solar as a source of **energy for power** requirements
- **80%-90%** of Energy requirements in the pulp units are renewable sources like bark and black liquor

## SUSTAINABLE LOGISTICS

- Reduce **energy consumption** and GHG emission for transportation of Raw materials and products, and also to **improve transport safely**
- DuPont Sustainable Solutions with **end-to-end safety focus** – own, transporters, customers
- Continuous training of **drivers for safe movement** of vehicles





# MAKING A DIFFERENCE

## EDUCATION

## HEALTHCARE

## SOCIAL

Through the schools in and around our facilities, we provide scholarships and technical education to children.



Familiarised farmers with innovative cropping techniques involving sustainable practices resulting in higher returns through better yields.





## INFRASTRUCTURE DEVELOPMENT

## SUSTAINABLE LIVELIHOOD

We engage with Self Help Groups (SHGs) to empower households both financially and socially. The key training provided by these SHGs is in goatery, dairy, loom weaving, sutli weaving, tailoring, blanket weaving, etc.

OO Create an articulated social vision and embed it in the business vision OO

- Mrs. Rajashree Birla



# BOARD OF DIRECTORS



**Mr. Kumar Mangalam Birla**  
Chairman



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



**Mr. Himanshu Kapania**  
Vice Chairman



**Mr. Dilip Gaur**  
Managing Director



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



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



**Mrs. Usha Sangwan**  
Non-Executive Director





**Mr. Arun Thiagarajan**  
Independent Director



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



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



**Mr. Cyril Shroff**  
Independent Director



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



**Mr. O. P. Rungta**  
Independent Director

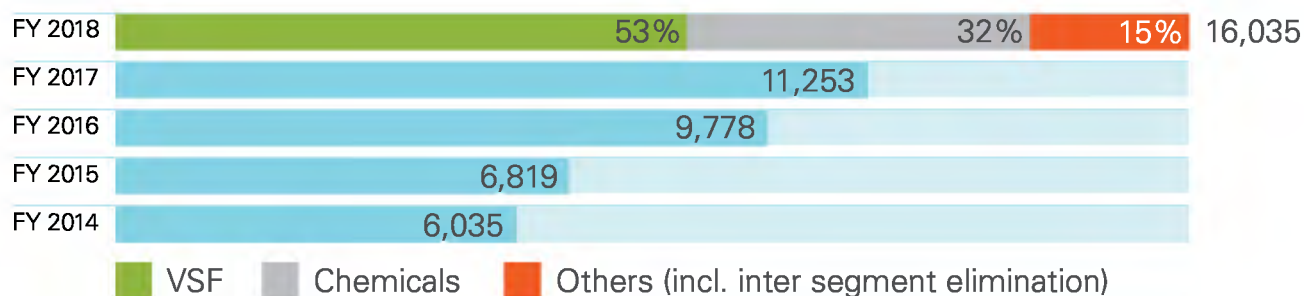


**Mrs. Anita Ramachandran**  
Independent Director

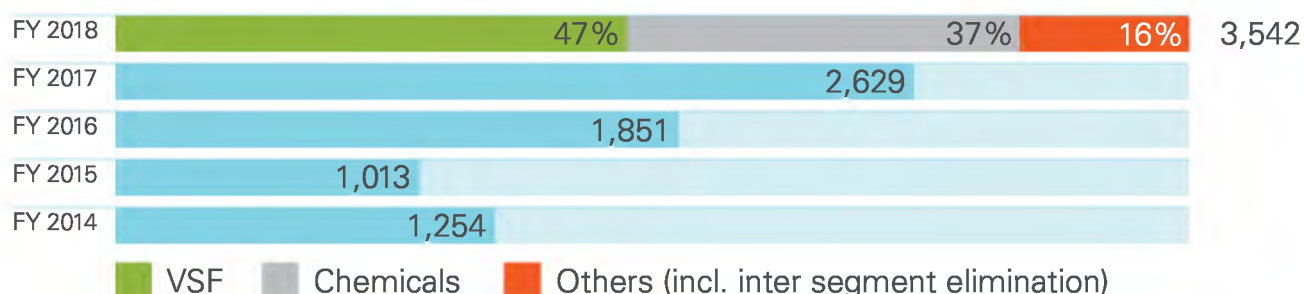


# FINANCIAL HIGHLIGHTS: STANDALONE

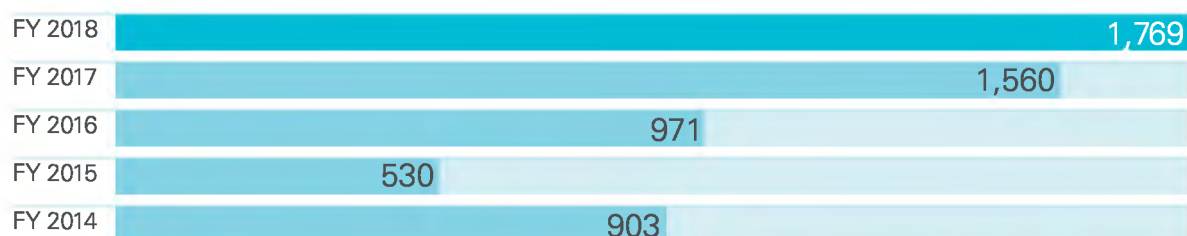
## REVENUE FROM OPERATIONS (₹ In Crore)



## EBITDA (₹ In Crore)



## PAT (₹ In Crore)



Revenue over

₹ **16,000** Cr.

EBITDA over

₹ **3,500** Cr.

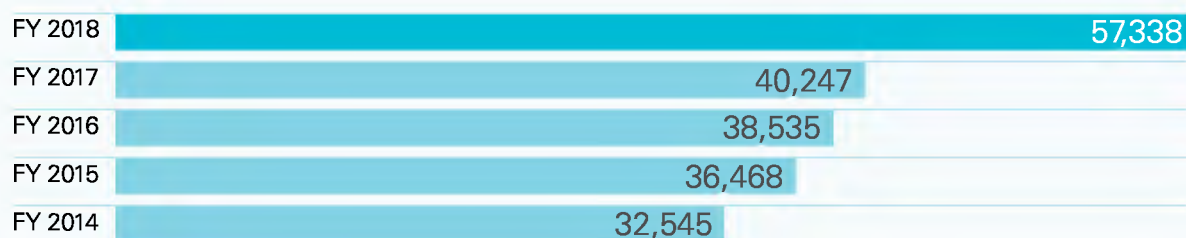
PAT\* around

₹ **2,000** Cr.

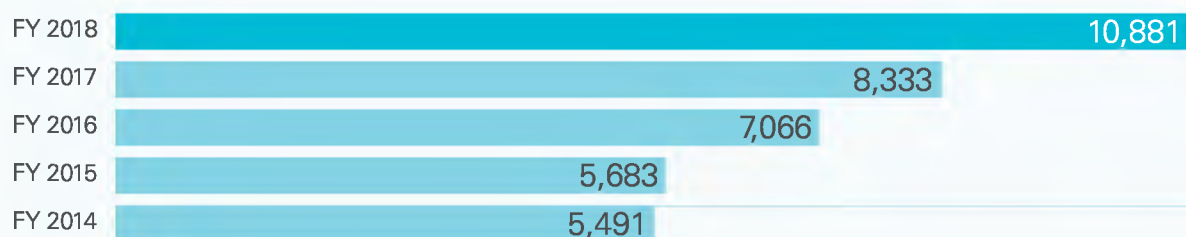
\* Excluding exceptional items

# FINANCIAL HIGHLIGHTS: CONSOLIDATED

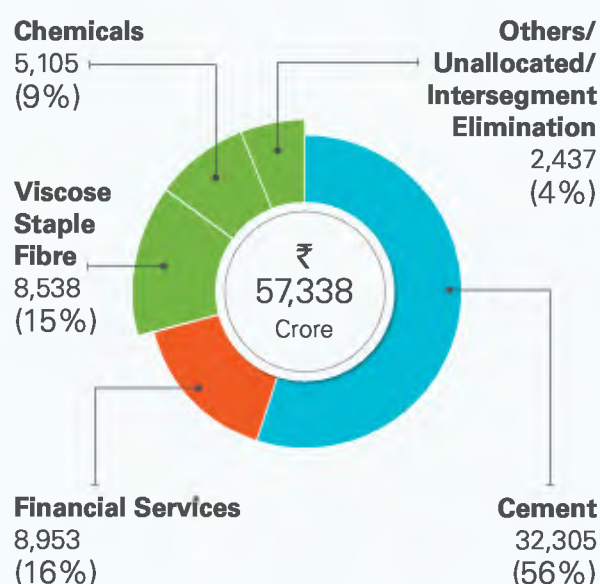
## REVENUE FROM OPERATIONS (₹ In Crore)



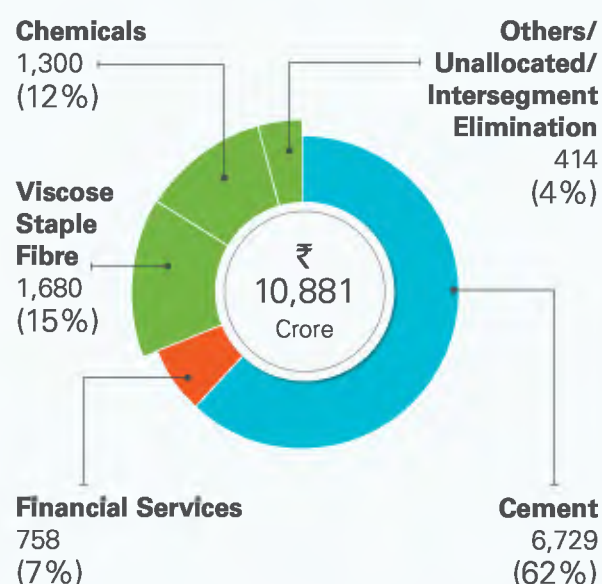
## EBITDA (₹ In Crore)



## REVENUE FROM OPERATIONS - FY 2018



## EBITDA - FY 2018



# KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT TEAM

## MANAGING DIRECTOR & BUSINESS DIRECTOR - PULP & FIBRE

Mr. Dilip Gaur

## GROUP CHIEF FINANCIAL OFFICER

Mr. Sushil Agarwal

## PRESIDENT & COMPANY SECRETARY

Mrs. Hutokshi Wadia

## PULP & FIBRE

Mr. H. K. Agarwal  
*Chief Operating Officer - Fibre*

Mr. Vinod Tiwari  
*Chief Operating Officer - Pulp*

Dr. Aspi Patel  
*Chief Technology Officer - Pulp & Fibre*

Mr. Rajeev Gopal  
*Chief Marketing Officer - Pulp & Fibre*

Mr. Parag Paranjpe  
*Chief Human Resource Officer - Pulp & Fibre*

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

Mr. S. K. Saboo  
*Advisor*

Mr. Vijay Kaul  
*Advisor*

## CHEMICAL/AGRI/INSULATORS

Dr. Santrupt Misra  
*Business Director*

Mr. Kalyan Madabhushi  
*Business Head - Chemical Sector*

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

Mr. Pradip Kumar Dubey  
*SBU Head - Epoxy*

Mr. G. K. Tulsian  
*Executive President*

Mr. Rahul Kohli  
*Chief Executive Officer - Fertiliser*

Mr. Rohit Pathak  
*Chief Executive Officer - Insulators*

Ms. Chandra Bhattacharjee  
*Chief Human Resource Officer - Chemical*

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

## TEXTILE BUSINESS

Mr. Rajiv Dube  
*Business Director*

Mr. Thomas Varghese  
*Business Head - Textiles*

Mr. Manoj Kedia  
*Chief Financial Officer - Textiles*

## CORPORATE FINANCE DIVISION

Mr. Pavan K. Jain  
*Sr. President*

Mr. Hemant K. Kadel  
*Sr. President*

Mr. Shriram Jagetiya  
*Executive President*

## CEMENT BUSINESS (UltraTech Cement Limited)

Mr. K. K. Maheshwari  
*Managing Director*

Mr. K. C. Jhanwar  
*Dy. Managing Director &  
Chief Manufacturing Officer*

## FINANCIAL SERVICES (Aditya Birla Capital Limited)

Mr. Ajay Srinivasan  
*Chief Executive Officer*

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

## TELECOM

Mr. Himanshu Kapania  
*Managing Director*

## STATUTORY AUDITORS

S R B C & Co. LLP, Mumbai  
B S R & Co. LLP, Mumbai

## REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

## SOLICITORS

Cyril Amarchand Mangaldas  
*Advocates & Solicitors*





*liva*  
natural fibre fashion



Are you living the life you imagined for yourself?

 ADITYA BIRLA CAPITAL

Protecting Solutions | Investing Solutions | Financing Solutions | Advising Solutions



Are you living a life lesser than its true potential?

 ADITYA BIRLA CAPITAL

Protecting **Solutions** | Investing **Solutions** | Financing Solutions | Advising **Solutions**

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# FINANCIAL HIGHLIGHTS - CONSOLIDATED

(Results for the year 2017-18, 2016-17 and 2015-16 are as per Ind AS)

| Year ----->                 | Unit        | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|-----------------------------|-------------|---------|---------|---------|---------|---------|
| <b>Production</b>           |             |         |         |         |         |         |
| Grey Cement                 | Mn. Tonnes  | 60.79   | 51.00   | 50.57   | 46.71   | 43.60   |
| White Cement & Putty        | Lakh Tonnes | 12.95   | 13.47   | 13.21   | 12.04   | 11.67   |
| Viscose Staple Fibre        | Lakh Tonnes | 4.99    | 4.93    | 4.64    | 4.08    | 3.61    |
| Caustic Soda                | Lakh Tonnes | 8.86    | 7.80    | 7.56    | 4.12    | 3.13    |
| <b>Turnover *</b>           |             |         |         |         |         |         |
| Grey Cement (Incl. Clinker) | Mn. Tonnes  | 63.28   | 52.40   | 51.33   | 48.17   | 44.66   |
| White Cement & Putty        | Lakh Tonnes | 13.19   | 13.18   | 13.12   | 12.24   | 11.41   |
| Viscose Staple Fibre        | Lakh Tonnes | 5.08    | 5.00    | 4.67    | 4.03    | 3.67    |
| Caustic Soda                | Lakh Tonnes | 8.79    | 7.84    | 7.63    | 4.09    | 3.14    |

\* (Including Captive Consumption)

(₹ in Crore)

| Profit & Loss Account                                                               | USD Million <sup>1</sup> | ₹ in Crore    |               |               |               |               |
|-------------------------------------------------------------------------------------|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Year ----->                                                                         | 2017-18                  | 2016-17       | 2015-16       | 2014-15       | 2013-14       |               |
| <b>Revenue from Operations</b>                                                      |                          |               |               |               |               |               |
| Cement                                                                              | 5,012                    | 32,305        | 28,646        | 28,392        | 27,403        | 24,377        |
| Financial Services                                                                  | 1,389                    | 8,953         | -             | -             | -             | -             |
| Viscose Staple Fibre                                                                | 1,325                    | 8,538         | 7,715         | 6,536         | 7,077         | 6,732         |
| Chemicals                                                                           | 792                      | 5,105         | 4,180         | 3,768         | 1,879         | 1,198         |
| Others                                                                              | 523                      | 3,372         | 465           | 508           | 636           | 615           |
| Inter-segment Elimination                                                           | -145                     | -935          | -759          | -669          | -527          | -377          |
| <b>Total Revenue from Operations</b>                                                | <b>8,896</b>             | <b>57,338</b> | <b>40,247</b> | <b>38,535</b> | <b>36,468</b> | <b>32,545</b> |
| <b>EBITDA</b>                                                                       |                          |               |               |               |               |               |
| Cement <sup>*</sup>                                                                 | 1,044                    | 6,729         | 5,861         | 5,365         | 4,476         | 4,086         |
| Financial Services                                                                  | 118                      | 758           | -             | -             | -             | -             |
| Viscose Staple Fibre                                                                | 261                      | 1,680         | 1,439         | 923           | 459           | 716           |
| Chemicals                                                                           | 202                      | 1,300         | 842           | 663           | 292           | 225           |
| Others/Unallocated/Inter-segment Elimination                                        | 64                       | 414           | 191           | 115           | 456           | 464           |
| <b>Total EBITDA</b>                                                                 | <b>1,688</b>             | <b>10,881</b> | <b>8,333</b>  | <b>7,066</b>  | <b>5,683</b>  | <b>5,491</b>  |
| Interest                                                                            | 211                      | 1,359         | 702           | 718           | 667           | 447           |
| <b>Gross Profit (PBDT)</b>                                                          | <b>1,477</b>             | <b>9,522</b>  | <b>7,631</b>  | <b>6,348</b>  | <b>5,016</b>  | <b>5,044</b>  |
| Depreciation                                                                        | 423                      | 2,724         | 1,808         | 1,834         | 1,563         | 1,457         |
| <b>Profit before Tax and Exceptional Items</b>                                      | <b>1,055</b>             | <b>6,798</b>  | <b>5,823</b>  | <b>4,514</b>  | <b>3,453</b>  | <b>3,586</b>  |
| Exceptional Items (EI)                                                              | -67                      | -433          | 0             | -28           | -9            | -             |
| <b>Profit before Tax</b>                                                            | <b>987</b>               | <b>6,365</b>  | <b>5,823</b>  | <b>4,486</b>  | <b>3,443</b>  | <b>3,586</b>  |
| Total Tax Expenses                                                                  | 302                      | 1,947         | 1,707         | 1,225         | 1,016         | 735           |
| <b>Net Profit</b>                                                                   | <b>685</b>               | <b>4,418</b>  | <b>4,116</b>  | <b>3,262</b>  | <b>2,427</b>  | <b>2,852</b>  |
| Less: Minority Interest                                                             | 157                      | 1,009         | 1,078         | 987           | 838           | 883           |
| Less: Profit attributable to participating policyholders of Life Insurance Business | 0.4                      | 2.6           | -             | -             | -             | -             |
| Add: Share in Profit/(Loss) of Associate                                            | -113                     | -727          | 129           | 193           | 154           | 103           |
| <b>Net Profit</b>                                                                   | <b>416</b>               | <b>2,678</b>  | <b>3,167</b>  | <b>2,468</b>  | <b>1,744</b>  | <b>2,072</b>  |
| Other Comprehensive Income (Owners of the Company)                                  | -26                      | -168          | 951           | 210           | -             | -             |
| <b>Total Comprehensive Income (Owners of the Company)</b>                           | <b>390</b>               | <b>2,511</b>  | <b>4,119</b>  | <b>2,678</b>  | <b>NA</b>     | <b>NA</b>     |

<sup>\*</sup> Income of UltraTech Cement related to unallocated corporate capital employed included in Unallocated EBITDA

Note <sup>1</sup> - 1 USD = INR 64.46

(₹ in Crore)

| Balance Sheet                                         | USD Million <sup>2</sup> | ₹ in Crore     |               |               |               |               |
|-------------------------------------------------------|--------------------------|----------------|---------------|---------------|---------------|---------------|
|                                                       | 2017-18                  |                | 2016-17       | 2015-16       | 2014-15       | 2013-14       |
| Net Fixed Assets<br>(incl. CWIP and Capital Advances) | 8,839                    | 57,614         | 33,443        | 33,550        | 32,057        | 26,943        |
| Long-Term Loans and Advances                          | 5,994                    | 39,068         | 650           | 923           | 1,648         | 880           |
| Investments (Non-Current and Current)                 | 4,337                    | 28,267         | 14,200        | 10,601        | 7,255         | 7,611         |
| Investments of Insurance business                     | 1,997                    | 13,019         | -             | -             | -             | -             |
| Goodwill                                              | 2,484                    | 16,192         | 2,994         | 3,016         | 3,283         | 3,277         |
| Assets held to cover linked liabilities               | 3,791                    | 24,709         | -             | -             | -             | -             |
| Current Assets                                        | 4,446                    | 28,977         | 11,460        | 11,486        | 9,790         | 9,025         |
|                                                       | <b>31,889</b>            | <b>207,846</b> | <b>62,747</b> | <b>59,576</b> | <b>54,033</b> | <b>47,737</b> |
| Equity Share Capital                                  | 20                       | 131            | 93            | 93            | 92            | 92            |
| Share Capital (Other than Equity)                     | 0                        | 0              | -             | -             | 59            | 45            |
| Reserves and Surplus                                  | 8,781                    | 57,230         | 31,293        | 27,336        | 22,989        | 21,478        |
| Net Worth                                             | 8,801                    | 57,362         | 31,387        | 27,429        | 23,140        | 21,615        |
| Non Controlling Interest                              | 4,041                    | 26,337         | 9,702         | 8,729         | 7,682         | 6,936         |
| Deferred Tax Liabilities (Net)                        | 859                      | 5,596          | 3,518         | 3,025         | 3,410         | 2,803         |
| Long-Term Liabilities & Provisions                    | 103                      | 670            | 449           | 386           | 297           | 220           |
| Policy Shareholders' Liability                        | 5,581                    | 36,373         | -             | -             | -             | -             |
| Total Loan Funds <sup>3</sup>                         | 10,290                   | 67,070         | 9,213         | 12,504        | 11,930        | 9,681         |
| Current Liabilities <sup>3</sup>                      | 2,215                    | 14,437         | 8,478         | 7,503         | 7,574         | 6,481         |
|                                                       | <b>31,889</b>            | <b>207,846</b> | <b>62,747</b> | <b>59,576</b> | <b>54,033</b> | <b>47,736</b> |

Note <sup>2</sup> - 1 USD = INR 65.18Note <sup>3</sup> - Short-Term Borrowing and Current Maturities of Long-Term Borrowings have been included in Total Loan Funds excluding the same from Current Liabilities

## Ratios &amp; Statistics

|                                                         |           |         |        |        |        |        |
|---------------------------------------------------------|-----------|---------|--------|--------|--------|--------|
| EBITDA Margin (EBITDA/Total Income)                     | (%)       | 18.7    | 20.2   | 18.0   | 17.0   | 18.4   |
| Net Margin                                              | (%)       | 7.2     | 11.5   | 9.9    | 7.8    | 9.9    |
| Interest Cover<br>(EBITDA - Current Tax/Total Interest) | (x)       | 6.7     | 9.8    | 8.4    | 6.8    | 8.3    |
| ROACE<br>(EBIT/Avg.CE) (Excl. CWIP)                     | (%)       | 10.2    | 12.8   | 11.3   | 10.5   | 12.1   |
| RONW<br>(PAT before EI/EO/Avg. NW)                      | (%)       | 7.0     | 10.8   | 9.6    | 7.8    | 10.0   |
| Total Debt Equity Ratio                                 | (x)       | 0.80    | 0.22   | 0.35   | 0.39   | 0.34   |
| Net Debt to Equity Ratio                                | (x)       | 0.17    | -0.05  | 0.10   | 0.20   | 0.12   |
| Net Debt to EBITDA Ratio                                | (x)       | 1.30    | -0.27  | 0.51   | 1.08   | 0.63   |
| Basic Earnings per Share<br>(before EI/EO)              | ₹ / Share | 47.3    | 67.8   | 52.8   | 190.8  | 225.6  |
| Book Value per Share <sup>®</sup>                       | ₹ / Share | 873     | 672    | 588    | 504    | 471    |
| Market Cap                                              | ₹ / Share | 71,604* | 48,971 | 35,884 | 33,272 | 26,520 |

® Previous year numbers are adjusted for split of shares

\* As on April 4, 2018

# FINANCIAL HIGHLIGHTS - STANDALONE

(Results for FY 2017-18, 2016-17 and 2015-16 are as per Ind AS)

(₹ in Crore)

| Year ----->                             | USD Million <sup>1</sup> | ₹ in Crore | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|-----------------------------------------|--------------------------|------------|---------|---------|---------|---------|
|                                         | 2017-18                  |            |         |         |         |         |
| Profit & Loss Account                   |                          |            |         |         |         |         |
| Revenue from Operations                 | 2,488                    | 16,035     | 11,253  | 9,778   | 6,819   | 6,035   |
| EBITDA                                  | 549                      | 3,542      | 2,629   | 1,851   | 1,013   | 1,246   |
| Interest                                | 20                       | 128        | 58      | 147     | 39      | 41      |
| Gross Profit (PBDT)                     | 530                      | 3,414      | 2,571   | 1,704   | 974     | 1,205   |
| Depreciation                            | 97                       | 628        | 446     | 445     | 263     | 220     |
| Profit before Tax and Exceptional Items | 432                      | 2,786      | 2,125   | 1,259   | 711     | 985     |
| Exceptional Items (EI)                  | 42                       | 273        | 0       | -29     | -26     | -       |
| Profit before Tax                       | 390                      | 2,513      | 2,125   | 1,230   | 685     | 985     |
| Total Tax Expense                       | 115                      | 744        | 565     | 259     | 155     | 89      |
| Net Profit                              | 274                      | 1,769      | 1,560   | 971     | 530     | 896     |
| Equity Dividend (including CTD)         | 62                       | 0          | 401     | 221     | 169     | 200     |
| Other Comprehensive Income              | 157                      | -222       | 1,012   | 92      | NA      | NA      |
| Total Comprehensive Income              | 399                      | 1,547      | 2,572   | 1,062   | NA      | NA      |

| Balance Sheet                                     | USD Million <sup>2</sup> | ₹ in Crore    | (₹ in Crore)  |               |               |               |
|---------------------------------------------------|--------------------------|---------------|---------------|---------------|---------------|---------------|
|                                                   |                          |               | 2016-17       | 2015-16       | 2014-15       | 2013-14       |
| Net Fixed Assets (incl. CWIP and Capital Advance) | 1,797                    | 11,712        | 7,317         | 7,339         | 5,710         | 5,495         |
| Long-Term Loans & Advances                        | 45                       | 293           | 178           | 225           | 454           | 339           |
| Investments (Non-Current & Current)               | 5,454                    | 35,547        | 8,996         | 7,100         | 5,350         | 5,604         |
| Current Assets                                    | 948                      | 6,177         | 3,360         | 3,133         | 2,851         | 2,440         |
|                                                   | <b>8,243</b>             | <b>53,729</b> | <b>19,851</b> | <b>17,796</b> | <b>14,365</b> | <b>13,878</b> |
| Share Capital                                     | 20                       | 131           | 93            | 93            | 92            | 92            |
| Reserves and Surplus                              | 6,852                    | 44,658        | 16,138        | 13,778        | 11,091        | 10,736        |
| Net Worth                                         | 6,872                    | 44,790        | 16,231        | 13,872        | 11,183        | 10,828        |
| Deferred Tax Liability (Net)                      | 282                      | 1,835         | 663           | 494           | 615           | 462           |
| Long-Term Liabilities & Provisions                | 12                       | 76            | 110           | 96            | 89            | 57            |
| Total Loan Funds <sup>3</sup>                     | 456                      | 2,969         | 701           | 1,839         | 1,115         | 1,302         |
| Current Liabilities <sup>3</sup>                  | 623                      | 4,059         | 2,146         | 1,494         | 1,363         | 1,229         |
|                                                   | <b>8,243</b>             | <b>53,729</b> | <b>19,851</b> | <b>17,796</b> | <b>14,365</b> | <b>13,878</b> |

| <b>Ratios &amp; Statistics</b>                       |           |         |         |         |         |         |
|------------------------------------------------------|-----------|---------|---------|---------|---------|---------|
| EBITDA Margin                                        | (%)       | 21.5    | 22.4    | 19.8    | 15.2    | 20.8    |
| Net Margin                                           | (%)       | 9.2     | 14.4    | 10.7    | 8.3     | 15.0    |
| Interest Cover                                       |           |         |         |         |         |         |
| (EBITDA-Current Tax/Total Interest)                  | (x)       | 22.1    | 36.4    | 11.0    | 13.8    | 13.2    |
| Total Debt to Equity Ratio                           | (x)       | 0.1     | 0.0     | 0.1     | 0.1     | 0.1     |
| Net Debt to Equity Ratio <sup>4</sup>                | (x)       | -0.01   | -0.11   | -       | -       | -       |
| Dividend per Share <sup>5</sup>                      | ₹ / Share | 6.2     | 5.5     | 4.5     | 18.0    | 21.0    |
| Basic Earnings per Share (before EI/EO) <sup>5</sup> | ₹ / Share | 22.7    | 33.4    | 21.4    | 60.5    | 97.6    |
| Book Value per Share <sup>5</sup>                    | ₹ / Share | 681     | 348     | 297     | 1,217   | 1,179   |
| No. of Equity Shareholders                           | No.       | 230,926 | 152,463 | 139,659 | 134,350 | 137,732 |
| No. of Employees                                     | No.       | 24,286  | 8,669   | 8,891   | 7,381   | 7,446   |

Note<sup>1</sup> - 1 USD = INR 64.46

Note<sup>2</sup> - 1 USD = INR 65.18

Note<sup>3</sup> - Short-Term Borrowing and Current Maturities of Long Term Borrowings have been included in Total Loan Funds excluding the same from Current Liabilities

Note<sup>4</sup> - From FY 2013-14 to FY 2015-16 and in FY 2016-17 and FY 2017-18, Liquid Investments are higher than total debts

Note<sup>5</sup> - Adjusted for share split



# Board's Report

## TO THE MEMBERS OF GRASIM INDUSTRIES LIMITED

Your Directors are pleased to present the 71st Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31st March 2018.

## FINANCIAL HIGHLIGHTS

(₹ in Crore)

|                                                                                                                                                                          | Consolidated    |                 | Standalone      |                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                                                                                                                          | 2017-18         | 2016-17         | 2017-18         | 2016-17         |
| <b>Revenue from Operations</b>                                                                                                                                           | 57,338.20       | 40,247.17       | 16,034.71       | 11,252.95       |
| <b>Earnings Before Interest, Depreciation/Amortisation and Tax (EBITDA)</b>                                                                                              | 10,881.09       | 8,332.89        | 3,541.54        | 2,628.70        |
| Less: Finance Costs                                                                                                                                                      | 1,359.13        | 702.40          | 128.13          | 57.62           |
| Less: Depreciation and Amortisation                                                                                                                                      | 2,724.36        | 1,807.59        | 627.66          | 446.14          |
| <b>Profit Before Share in Profit/(Loss) of Equity Accounted Investees, Exceptional Items and Tax</b>                                                                     | 6,797.60        | 5,822.90        | 2,785.75        | 2,124.94        |
| Share in Profit/(Loss) of Equity Accounted Investees                                                                                                                     | (727.44)        | 129.41          | -               | -               |
| Exceptional Items                                                                                                                                                        | (432.85)        | -               | (272.61)        | -               |
| <b>Profit Before Tax (PBT)</b>                                                                                                                                           | 5,637.31        | 5,952.31        | 2,513.14        | 2,124.94        |
| Tax Expenses                                                                                                                                                             | 1,947.12        | 1,706.70        | 744.48          | 564.94          |
| <b>Profit After Tax including Share in Profit/(Loss) of Equity accounted Investees and Profit of Life Insurance Business attributable to Participating Policyholders</b> | 3,690.19        | 4,245.61        | 1,768.66        | 1,560.00        |
| Less: Profit of Life Insurance Business attributable to Participating Policyholders                                                                                      | (2.57)          | -               | -               | -               |
| <b>Attributable to:</b>                                                                                                                                                  | 3,687.62        | 4,245.61        |                 |                 |
| Shareholders of the Company                                                                                                                                              | 2,678.58        | 3,167.30        | 1,768.66        | 1,560.00        |
| Non-Controlling Interest                                                                                                                                                 | 1,009.04        | 1,078.31        | -               | -               |
| <b>Other Comprehensive Income for the Year</b>                                                                                                                           | (278.48)        | 963.44          | (221.69)        | 1,011.53        |
| <b>Attributable to:</b>                                                                                                                                                  |                 |                 |                 |                 |
| Shareholders of the Company                                                                                                                                              | (167.88)        | 951.48          | (221.69)        | 1,011.53        |
| Non-Controlling Interest                                                                                                                                                 | (110.60)        | 11.96           | -               | -               |
| <b>Total Comprehensive Income for the Year</b>                                                                                                                           | <b>3,409.14</b> | <b>5,209.05</b> | <b>1,546.97</b> | <b>2,571.53</b> |
| <b>Attributable to:</b>                                                                                                                                                  |                 |                 |                 |                 |
| Shareholders of the Company                                                                                                                                              | 2,510.70        | 4,118.78        | 1,546.97        | 2,571.53        |
| Non-Controlling Interest                                                                                                                                                 | 898.44          | 1,090.27        | -               | -               |

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

## DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend for your approval, a dividend of ₹ 6.20 (Rupees Six and Paise Twenty Only) per equity share of ₹ 2/- each of the Company for the financial year ended 31st March 2018. The dividend, if approved by the members, would involve a cash outflow of ₹ 455.66 Crore (inclusive of Dividend Distribution Tax).

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

## TRANSFER TO RESERVES

The Company proposes to transfer ₹ 1,000 Crore to the General Reserves.

## PERFORMANCE REVIEW

On a consolidated basis, the revenue from operations for FY 2017-18, increased to ₹ 57,338 Crore, which was 42.46% higher than that of the previous year (₹ 40,247 Crore in FY 2016-17). The consolidated EBITDA increased to ₹ 10,881 Crore for FY 2017-18, which was 30.58% higher than that of the previous year (₹ 8,333 Crore in FY 2016-17). The increase in the consolidated revenue and consolidated EBITDA was mainly on account of growth in Viscose, Chemicals, Cement businesses and inclusion of performance of erstwhile Aditya Birla Nuvo Ltd. (ABNL), post-merger of ABNL with the Company, with effect from 1st July 2017, and cement assets acquired by UltraTech Cement Limited, with effect from 29th June 2017. Standalone financials for the current year include the performance of erstwhile ABNL, consequent to the merger with the Company, with effect from 1st July 2017 as stated above. Since the financial statements of the previous year do not include the performance of erstwhile ABNL, and that also of the acquired assets by UltraTech Cement Limited (at consolidated level), the financial performance of the current year is strictly not comparable with that of the previous year.

On a standalone basis, revenue from operations for FY 2017-18, increased to ₹ 16,035 Crore, which was 42.50% higher than that of the previous year (₹ 11,253 Crore in FY 2016-17). The standalone EBITDA increased to ₹ 3,542 Crore for FY 2017-18, which was 35% higher than that of the previous year (₹ 2,629 Crore in FY 2016-17).

The Management Discussion and Analysis section, focuses on the Company's strategies for growth and the performance review of the businesses/operations in depth.

## STRATEGIC INITIATIVES

### Composite Scheme of Arrangement

Vide its Order dated 1st June 2017, the National Company Law Tribunal, Bench at Ahmedabad (NCLT), has sanctioned the Composite Scheme of Arrangement between the

Company and Aditya Birla Nuvo Limited (ABNL) and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited) (ABCL) (Scheme). With effect from 1st July 2017 (the Effective Date 1), ABNL along with its assets, liabilities, contracts, employees, etc., stands amalgamated, in the manner provided in the Scheme.

With effect from 4th July 2017, (the Effective Date 2), the financial services business of the Company stands transferred to and vested in ABCL.

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

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

### Right to Manage and Operate the Viscose Filament Yarn Business of Century Textiles and Industries Limited ("CTIL")

During the financial year 2017-18, the Company entered into an agreement with CTIL for acquiring the Right to Manage and Operate the Viscose Filament Yarn Business (VFY Business) of CTIL, located at Shahad and Kalyan (Maharashtra), with effect from 1st February 2018. The acquisition has also led to consolidation of similar businesses, create synergy and leverage brand strength in value chain, for VFY business of the Company.

### Idea Cellular Limited

Idea Cellular Limited (Idea) is an Associate of the Company, and the share of the Company in Profit of Idea has been consolidated in the Consolidated Financial Statements. Post-merger of Aditya Birla Nuvo Limited with the Company, the holding of the Company in Idea increased to 27.96%, which got revised to 23.13% on issue of additional equity capital by Idea in February 2018.

A scheme of amalgamation of Vodafone India Limited (VIL) and its wholly owned subsidiary Vodafone Mobile Services Limited (VMSL) with Idea is under implementation, under which VIL will get amalgamated with Idea, subject to requisite regulatory and other approvals. On effectiveness of the scheme, the holding of the Company in Idea will be revised to ~11.5%.

Upon the amalgamation becoming effective, the entire business of VIL and VMSL (excluding VIL's investment in Indus Towers Limited, its international network assets and information technology platforms) will vest with Idea.

## CONSOLIDATED FINANCIAL STATEMENTS

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

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

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

In accordance with the provisions of Section 136(1) of the Act, the Annual Report of the Company, containing inter alia the audited standalone and consolidated financial statements, has been placed on the website of the Company, [www.grasim.com](http://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](http://www.grasim.com).

In accordance with Section 136 of the Act, the financial statements of the subsidiary companies and related information are available for inspection by the Members at the Registered Office of the Company, during business hours up to 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 the Company.

## SHARE CAPITAL

During the year 2017-18:

- Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited), the

Company allotted 190,462,665 equity share of ₹ 2/- each fully paid-up of the Company to the shareholders of the erstwhile Aditya Birla Nuvo Limited, as on the record date fixed on 6th July 2017.

- Allotted 71,660 equity shares of ₹ 2/- each pursuant to the exercise of stock options in terms of the Employees Stock Option Schemes of the Company.

During the year 2017-18, the Company has not issued shares with differential voting rights and sweat equity shares.

## DEPOSITS

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

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186 of the Act and Schedule V of the 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 the Company in terms of Section 186 of the Act, read with the Rules issued thereunder.

## ABRIDGED ANNUAL REPORT

In terms of the provisions of Section 136(1) of the Act, Rule 10 of the Companies (Accounts) Rules, 2014, and Regulation 36 of SEBI (LODR) Regulations, 2015, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the Balance Sheet and Statement of Profit & Loss and other documents to the shareholders for the Financial Year 2017-18 under the relevant laws.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

## CORPORATE GOVERNANCE

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

In terms of Regulation 34 of the SEBI (LODR), a separate report on Corporate Governance, along with a certificate



from the Auditors' on its compliance, forms an integral part of this Report and is given as **Annexure 'C'** to this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment/Re-appointment of Directors

The Board, on the recommendations of the Nomination and Remuneration Committee of the Board of Directors of the Company, has appointed.

- Ms. Usha Sangwan (DIN: 02609263) as an Additional Director of the Company, with effect from 23rd May 2018. In terms of the provisions of the Act, Ms. Sangwan will hold office up to the date of the Annual General Meeting (AGM);
- Mr. Himanshu Kapania (DIN: 03387441) as an Additional Director of the Company, with effect from 14th August 2018. In terms of the provisions of the Act, Mr. Kapania will hold office up to the date of the AGM;
- Ms. Anita Ramachandran (DIN: 00118188) as an Additional Independent Director of the Company, with effect from 14th August 2018. In terms of the provisions of the Act, Ms. Ramachandran will hold office for a period of five years, i.e., up to 13th August 2023.

The Directors commend the resolutions for the appointment of Ms. Usha Sangwan, Mr. Himanshu Kapania and Ms. Anita Ramachandran as Directors on the Board of the Company, as indicated in the Notice of the AGM.

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, retire by rotation at the AGM and, being eligible, have offered themselves for re-appointment. Resolution seeking the re-appointments of Mr. Shailendra K. Jain and Mrs. Rajashree Birla 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 and re-appointed forms part of the Notice of the AGM.

### Continuation of Directorship

In terms of the Regulation 17(1A) of SEBI (LODR) Regulations, 2015, approval of the shareholders by way of a special resolution is required for the appointment/continuation of directorship of non-executive directors, who have attained the age of 75 years, as on 1st April 2019.

The following Directors of the Company have/will attain the age of 75 years, as on 1st April 2019:

- Mr. M. L. Apte (DIN: 00003656) – Independent Director;
- Mr. B. V. Bhargava (DIN: 00001823) – Independent Director;
- Mr. O. P. Rungta (DIN: 00020559) – Independent Director; and
- Mr. Shailendra K. Jain (DIN: 00022454) – Non-Executive Director.

Based on the recommendations of the Nomination and Remuneration Committee, the Board has, subject to the approval of the shareholders, consented to the continuation of Directorship of the aforesaid Directors till the end of each of their respective tenures.

Your Directors commend the Resolutions for your approval.

### Cessation

With effect from 23rd May 2018, Mr. N. Mohan Raj (DIN: 00181969) resigned from the Board of Directors of the Company. The Board places on record its deep appreciation and gratitude for the valuable contribution and advice offered by Mr. Mohan Raj during his tenure as Director on the Board of the Company.

### Key Managerial Personnel

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

During the financial year 2017-18, Mr. Dilip Gaur, Managing Director and Mr. Sushil Agarwal, Whole-time Director & Chief Financial Officer of the Company, have not received any commission / remuneration from the Company's Subsidiary Companies.

## MEETINGS OF THE BOARD

The Board of Directors of your Company met 6 times during the year, details of which are given in the Corporate Governance Report forming, part of this Annual Report.

## DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors of the Company confirming that

they meet the criteria of independence as prescribed under the Act, read with Schedules and Rules issued under the SEBI (LODR).

## FORMAL ANNUAL EVALUATION

The evaluation framework for assessing the performance of Directors of the Company comprises of contributions at the meetings, strategic perspective or inputs regarding the growth and performance of the Company, among others.

Pursuant to the provisions of the Act and the SEBI (LODR), the Directors have carried out the annual performance evaluation of the Board, Independent Directors, Non-Executive Directors, Executive Directors, Committees and the Chairman of the Board.

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/Non-Executive Directors/Executive Directors and the Chairman of the Company.

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

## DIRECTORS' RESPONSIBILITY STATEMENT

The audited accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year under review, and reasonably present the Company's financial condition and results of operations.

Your Directors confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed, along with proper explanations relating to material departures, if any;
- b) the accounting policies selected have been applied consistently, and judgements and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care have 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) the Company has laid down proper internal financial controls, and that such internal financial controls are adequate and were operating effectively; and
- f) your Company has devised proper systems to ensure compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.

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

The information on conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is set out in **Annexure 'D'** to this Report.

## AUDITORS AND AUDIT REPORTS

### Statutory Auditors

Pursuant to the provisions of Section 139(1) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time:

- the members, at the 69th AGM held on 23rd September 2016, have approved the appointment of B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), as Joint Statutory Auditors of the Company for a period of five consecutive years, till the conclusion of the 74th AGM of the Company to be held in the year 2021, subject to ratification of their appointment by the members at every AGM till 73rd AGM; and
- the members, at the 70th AGM held on 22nd September 2017, have approved the appointment of S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 324982E), as Joint Statutory

Auditors of the Company for a period of five consecutive years, till the conclusion of 75th AGM of the Company to be held in the year 2022, subject to ratification of their appointment by the members at every AGM till 74th AGM.

Accordingly, necessary resolutions for ratification of appointment of Auditors are included in the Notice for this

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/ratification, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (LODR), B S R & Co. LLP and S R B C & Co. LLP have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

Pursuant to the provisions of Section 139(1) of the Act, as amended with effect 7th May 2018, ratification of the appointment of the Statutory Auditors, by the Members at every AGM during the period of their appointment, has been omitted with effect from that date. In view thereof read with the provisions of Section 142 of the Act, consent of the members is sought to partially modify the resolutions passed at the aforesaid AGMs and authorise the Board to ratify the appointments and fix their remuneration for each of the Statutory Auditors respective remaining terms. Your Directors commend the Resolutions for your approval.

The observations made by the Statutory Auditors on the Financial Statements of the Company, in their Report for the financial year ended 31st March 2018, 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, disclaimer or adverse remark.

## COST AUDITORS

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended, Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, your Board has, on the recommendation of the Audit Committee, re-appointed M/s. D. C. Dave & Co., Cost Accountants, Mumbai, as the Cost Auditors to conduct the audit of the cost records of all the Units of the Company, except VFY-Century Rayon Unit, for the financial year 2018-19 at a remuneration not exceeding ₹ 1,500,000/- (Rupees Fifteen Lakh Only), plus applicable taxes and reimbursement of actual out-of-pocket expenses in connection with the audit. On the recommendations of the Audit Committee, your Directors have appointed M/s. M. R. Dudani & Co. as Cost Auditors

to conduct cost audit at VFY-Century Rayon Unit for the financial year 2018-19 at a remuneration of ₹ 2.20 Lakh (Rupees Two Lakh Twenty Thousand only) plus applicable taxes and reimbursement of actual out-of-pocket expenses in connection with the audit.

The Company has received consent from M/s. D. C. Dave & Co. and M/s. M. R. Dudani & Co., Cost Accountants, to act as the Cost Auditors of the Company for the financial year 2018-19 along with separate certificates confirming each of their independence.

## SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has re-appointed M/s. BNP & Associates, Company Secretaries, Mumbai, to conduct the secretarial audit for the financial year 2018-19. The Secretarial Audit Report, issued by M/s. BNP & Associates, Company Secretaries, for the financial year 2017-18, forms part of this Annual Report and is set out in Annexure 'E' to this Report. The Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark.

## DISCLOSURES

### Contracts and Arrangements with Related Parties

During the financial year 2017-18, all contracts/arrangements/transactions entered into by the Company with Related Parties were on arm's length basis and in the ordinary course of business. There are no material transactions with any Related Party as defined under Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014. All Related Party transactions have been approved by the Audit Committee of the Company. Omnibus approvals are taken for transactions, which are repetitive nature. The Company has implemented Related Party transaction manual and Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

The details of contracts and arrangements with Related Parties of the Company for the financial year ended 31st March 2018, are given in Notes to the Standalone Financial Statements, forming part of the Annual Report.

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

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

The 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](http://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 the Company has a Corporate Social Responsibility (CSR) Committee, which is chaired by Mrs. Rajashree Birla. The other Members of the Committee are Mr. B. V. Bhargava, Mr. Shailendra K. Jain and Mr. Dilip Gaur. Dr. Pragnya Ram, Group Executive President, Corporate Communication and CSR, is a permanent invitee to the Committee. The Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the Company, is available on the Company's website, [www.grasim.com](http://www.grasim.com).

The Company is a caring corporate citizen and lays significant emphasis on development of the host communities around which it operates. The Company, with this intent, has identified several projects relating to Social Empowerment and Welfare, Infrastructure Developments, Sustainable Livelihood, Health Care and Education, during the year, and initiated various activities in neighbouring villages around its plant locations. The Annual Report on CSR activities is given in **Annexure 'F'** to this Report.

## RISK MANAGEMENT

Pursuant to the requirement of SEBI (LODR), the Company has constituted Risk Management Committee, which is mandated to review the risk management plan/ process of the Company. Risk evaluation and management is an ongoing process within the Organisation. The Company's Risk Management Committee periodically assesses risk in the internal and external environment and incorporates Risk Mitigation Plans in its strategy, business and operation plans. The Company has comprehensive risk management policy, which is periodically reviewed by the Risk Management Committee.

## BUSINESS RESPONSIBILITY REPORT

As per SEBI (LODR), a separate section of Business Responsibility Report forms part of this Report.

## EXTRACT ANNUAL RETURN

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 (the Act) read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual

Return of your Company for the financial year ended 31st March 2018 is given as **Annexure 'G'** to this Report.

## INTERNAL FINANCIAL CONTROLS

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

## REMUNERATION POLICY

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

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

During the year under review, the Audit Committee was reconstituted and comprises of Mr. Arun Thiagarajan, Mr. B.V. Bhargava, Mr. M.L. Apte and Mr. Dilip Gaur. The Committee comprises of majority of Independent Directors with Mr. Arun Thiagarajan being the Chairman. Mr. Sushil Agarwal Whole-Time Director & CFO is the permanent invitee.

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

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

## NOMINATION AND REMUNERATION COMMITTEE

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of Mrs. Rajashree Birla, Mr. B. V. Bhargava, Mr. Shailendra K. Jain and Mr. Dilip Gaur as its members. Further details

relating to the Corporate Social Responsibility Committee are provided in the Corporate Governance Report forming part of this Annual Report.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

## RESEARCH AND DEVELOPMENT (R&D)

The R&D investment continues to be focused on enhancing our relative market position in an increasingly competitive environment. Focused programmes are driving innovations in the critical areas of product quality, cost reduction, new product offerings and environmental sustainability. Our portfolio of programmes addresses near-term needs through the implementation of recently developed technologies while filling the pipeline with future opportunities to achieve our long-term goals.

### Pulp and Fibre Business

Pulp R&D continues to focus on expanding our specialty pulp opportunities at the Domsjo Unit as well as generally improving the quality and consistency of supply to our Viscose Staple Fibre (VSF) manufacturing sites. Tailored products have been developed providing expanded sales into filament yarn production, and new applications in novel new casing products and cellulose acetate end-uses are being adopted. Advances in pulp quality and consistency for the internal VSF customers are leading to significant reductions in contaminate levels like dirt and resins. Model-based predictive controls are leading to reduced viscosity and lignin content variations in the process. On-line pulp viscosity measurement and control technologies are being explored to further improve the consistency of this critical parameter. Implementation of new operating conditions, such as those associated with alkali extraction, have enabled the reduced consumption of key raw materials at the Domsjo plant. Ongoing collaborations with external laboratories are focused on developing new sustainable technologies and recycling opportunities. Our digitisation initiative continues to seamlessly connect the pulp plant processes to the consuming fibre plants. Access to production data for pulp is being utilised at the fibre plants allowing the optimisation of blending leading to viscose consistency improvements. Model-based predictive control systems are being designed to further extract value from this approach.

Fibre-oriented R&D is focused on continuously improving production efficiency and enhancing our customers'

experience. We have expanded implementation of demonstrated technologies, which reduce in-process material consumption and increase line productivities. Work continues to extend the gains through further process innovations. Our marketplace-targeted differentiated offerings agenda has resulted in new insights and innovations for improved products in our non-wovens and dope-dyed fibre segments. The resulting product and process upgrades are being well recognised as providing improved customer performance and value. Our value-added product programme pipeline continues to provide ongoing new opportunities at different stages of development. A recently commercialised example is our branded offering, Liva Sno. This product not only simplifies the downstream processing, but also contributes to processors' environment-friendly efforts by reducing water consumption and the generation of waste effluent. We are planning the continued launch of new products in our pipeline in the coming years. The fibre-focused quality improvement work over the last five years has been aimed at bringing our production lines to global benchmark quality levels and achieving product leadership. Application of metrics like first pass yield (FPY) and Uptime, and systematic Six-Sigma process projects to improve line performance levels have contributed significantly toward achieving our objectives. The process capability analyses of production lines have been broadly completed, and approximately three quarters of production capacity has been upgraded and certified as achieving benchmark levels. Projects are ongoing to improve our remaining assets. A comprehensive fibre quality gradation system has been developed to more fully specify the product attributes required to fulfil our customers' expectations for quality and processing performance. This system is being used to guide our improvement projects aimed at ongoing product trade leadership.

Our business development process includes the promotion of our cellulose-based comfort fibres throughout the entire value chain from yarn producers through retail. The Textile Research and Applications Development Centre (TRADC) plays a critical role in this process through the development of unique fabric designs, continual renewal of our fabric resource library, creation of seasonal design collections and launch support for new product offerings. Unique fabric design bases were developed to promote our fibres in textile hubs across India for knitted fabrics in tops, intimate apparel, legwear and sweaters, and woven designs for shirts, suits, jackets and women's wear. Additionally, more than 150 fabric styles from over 50-base designs were created to showcase our products in home textile applications in India and internationally. TRADC also contributed technical input to the "Sleep

Soft" marketing catalogue showcased in the USA, during Home Textile Week. These efforts are key to new adoptions like our polyester/Modal blend for bed linens currently in commercial production. Earlier this year, the Digital LIVA Fabric Library was launched providing online product information, vendor contacts and detailed input on products and fabrics developed by TRADC over many years. This provides a valuable resource for customers to access when developing their future offerings with our products. Also, by analysing the inquiries, we can better anticipate market trends and new opportunities to fulfil our customers' needs. LIVA Season Collections have been developed for the Spring/Summer and Autumn/Winter periods and a dozen story lines were prepared, which describe the values of these innovative concepts. These collections and associated information are a critical part of promoting the LIVA brand with our partners.

Significant strides were made in our in-house technology advancement for the Excel® project. Selective upgrades to one Excel® line at Nagda, based on our new technology, has enabled the achievement of near benchmark product quality and improved realisation. Data generation and improved understanding of solvent recovery has led to the prototype demonstration of a new resin chemistry, improving our solvent quality.

### Enabling Capabilities

Our R&D facilities are geared to support the innovation needs of the Pulp and Fibre Business. The sequence of development is initiated in laboratory facilities for small scale preparation experiments and analysis equipment. Successful concepts are taken through the scale-up facilities for spinning dope making and fibre spinning, and ultimately through the downstream facilities of yarn, fabric and garment making.

This complete process and product development capability put in place over the years now supports the creation and execution of our process development and new product pipelines, which are creating significant value for the business. Once a technology is proven, the solid process and product data are available to support robust commercialisation on large lines in partnership with the Operations and Marketing teams.

### Chemical Business

The Company's Chemical business focus has been to develop various product variants as to meet different customer segments, improving and optimising key operating processes and practices, enhance equipment reliability and asset integrity, and significantly upgrade the health, safety and environment systems and processes.

- **Products:** Differentiation in Products by making product variants in flakes, stable bleaching powder, Chlorinated paraffin's, poly aluminium chloride, hydrochloric acid and food grade phosphoric acid product as to meet the specific customer segments.
- **Processes:** Process improvements and optimization of Key and critical process operations such removal trace impurities in salt, chlorine and hydrogen streams of the manufacturing cycle.
- **Health, Safety and Environment Monitoring,** and controlling equipment's such to minimise process and stack emissions, reduction of solid wastes, and Zero liquid discharge approach with a view to progress towards efficiencies beyond legal compliances.

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

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

## PARTICULARS OF EMPLOYEES

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

Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of



Managerial Personnel) Rules, 2014, are given in Annexure 'I' 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 the eligible employees of the Company.

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

A certificate from the Statutory Auditors, with respective implementation of the Company's Employees Stock Option Schemes will be placed at the ensuing AGM for inspection by the Members, and a copy will also be available for inspection at the Registered Office of the Company.

The Company intends to reward, attract, motivate and retain employees and directors of the Company, its holding and subsidiary companies for their high level of individual performance, by offering them equity shares by way of an Employee Stock Options Scheme.

Towards this, the Company has sought approval of the members to approve and adopt the 'Grasim Industries Ltd. Employee Stock Option Scheme 2018' (hereinafter referred to as the "Scheme 2018"). The Company intends to offer not more than 3,515,528 Equity Shares of ₹ 2/- each (which represents 0.53% of the paid-up equity capital as on 31st March 2018) in one or more tranches, in accordance with the Scheme 2018, the provisions of the law or regulations issued by the relevant authority, as may be prevailing at that time.

The Scheme 2018 shall be implemented through the ESOS Trust since it is proposed that the equity shares of the Company would be acquired by the ESOS Trust from the secondary market. The Company proposes to extend financial assistance to the ESOS Trust for this purpose, subject to the overall limits specified under the applicable laws.

The broad framework of the Scheme 2018 is detailed in the Notice of the AGM. Your Directors commend the resolutions for approving the grant in terms of the Scheme and the implementation of the Scheme through the Trust.

## HUMAN RESOURCES

The Company's human resources is the strong foundation for creating many possibilities for its business. During the year, the Company added greater employee talent through seamless integration of acquired assets. The efficient operations of manufacturing units and market development and expansion for various products was the highlight of our people effort.

Continuous people development for developing knowledge and skills coupled with the Talent Management practices will deliver the talent needs of the Organisation. The Company's employee engagement score reflects high engagement and pride in being part of the Organisation.

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

## AWARDS AND ACCOLADES

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

- Platinum Award in "2nd Annual EKDKN EMINENT Award 2017" under CSR Category in Chemical & Fertilizer Sector (Ek Din Desh Ke Naam)
- Dun & Bradstreet Corporate Award 2018 as the Top Company for its stellar performance in the textiles sector. Grasim was honored for being "Champion of Change" in the transformation of the country.
- Ranked # 205 in the list of "Global 2000 – Growth Champions 2018" by Forbes Magazine, USA
- Award for Best Export Performance in the Category of Viscose Staple Fibre (Gold Trophy). 2018 - SRTEPC
- India Sustainable Leadership Award from World Sustainability, a Not-For-Profit Organization advocating for Sustainable Leadership
- Liva - Most admired fashion innovation of the year by India Fashion Forum
- NCQC (National Convention on Quality Concepts) 2017, Mysuru – "PAR EXCELLENCE" Award - Insulators (Rishra)
- IMC Ramkrishna Bajaj National Quality Award 2017 Performance Excellence in Manufacturing Category - Chemicals

- Golden Peacock Award - 2018 - Business Excellence (Indian Rayon)

## GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to employees of the Company under any Scheme save and except ESOS referred to in this Report;
3. There were no revisions in the financial statements;
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future;
5. The Company has made and maintained cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the Financial Year 2017-18; and
6. The Company has complied with provisions relating to the constitution of Internal Complaints Committee

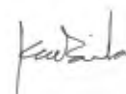
under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No cases or complaints were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board



**Kumar Mangalam Birla**  
Chairman  
(DIN: 00012813)

Mumbai, 14th August 2018

# Annexure 'A' to the Board's Report

## DIVIDEND DISTRIBUTION POLICY

### Introduction

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

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

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

### Target Dividend Payout

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

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

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

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

### Factors to be Considered for Dividend Payout

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

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

### General

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

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



# Annexure 'B' to the Board's Report

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

## Part "A" - Subsidiaries

(₹ in Crore)

| Sr. No. | Name of the Subsidiary Companies                  | Year    | Currency | Share Capital (Including Share Application Money) | Reserves and Surplus (Net of Debit Balance of Profit and Loss Account) | Total Assets (Non-Current Assets +Current Assets+ Deferred Tax Assets) excluding Current and Non-Current Investments | Total Liabilities (Non-Current Liabilities+ Current Liabilities +Deferred Tax Liabilities) | Details of Current and Non-Current Investments (excluding investments in subsidiary companies)- Treasury Bill | Gross Turnover# | Profit/ (Loss) Before Taxation | Provision for Taxation | Profit / (Loss) After Taxation | Proposed Dividend (including Corporate Dividend Tax) | % of shareholding |
|---------|---------------------------------------------------|---------|----------|---------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------|------------------------|--------------------------------|------------------------------------------------------|-------------------|
| 1       | Samruddhi Swastik Trading And Investments Limited | 2017-18 | ₹        | 6.50                                              | 45.78                                                                  | 5.44                                                                                                                 | 1.23                                                                                       | 48.07                                                                                                         | -               | 4.13                           | 1.04                   | 3.09                           | -                                                    | 100%              |
|         |                                                   | 2016-17 | ₹        | 6.50                                              | 38.61                                                                  | 19.29                                                                                                                | 1.03                                                                                       | 26.85                                                                                                         | -               | 4.61                           | 1.16                   | 3.45                           | -                                                    | 100%              |
| 2       | ABNL Investments Limited                          | 2017-18 | ₹        | 28.14                                             | 66.57                                                                  | 113.62                                                                                                               | 23.51                                                                                      | 4.60                                                                                                          | -               | 1.66                           | 0.47                   | 1.19                           | -                                                    | 100%              |
|         |                                                   | 2016-17 | ₹        | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | 0%                |
| 3       | Sun God Trading And Investments Limited           | 2017-18 | ₹        | 0.05                                              | 3.92                                                                   | -                                                                                                                    | 1.00                                                                                       | 4.97                                                                                                          | -               | 0.03                           | 0.01                   | 0.02                           | -                                                    | 100%              |
|         |                                                   | 2016-17 | ₹        | 0.05                                              | 0.45                                                                   | -                                                                                                                    | -                                                                                          | 0.50                                                                                                          | -               | 0.04                           | 0.01                   | 0.03                           | -                                                    | 100%              |
| 4       | Aditya Birla Chemicals (Belgium) BVBA             | 2017-18 | Euro     | EURO 6200                                         | (0.05)                                                                 | 0.04                                                                                                                 | 0.08                                                                                       | -                                                                                                             | 0.02            | (0.01)                         | -                      | (0.01)                         | -                                                    | 99.97%            |
|         |                                                   |         | ₹        | 0.05                                              | (3.90)                                                                 | 2.86                                                                                                                 | 6.71                                                                                       | -                                                                                                             | 2.30            | (1.05)                         | -                      | (1.05)                         | -                                                    | 99.97%            |
|         |                                                   | 2016-17 | Euro     | EURO 6200                                         | (0.03)                                                                 | 0.05                                                                                                                 | 0.09                                                                                       | -                                                                                                             | 0.06            | (0.02)                         | -                      | (0.02)                         | -                                                    | 99.97%            |
|         |                                                   |         | ₹        | 0.04                                              | (2.38)                                                                 | 3.65                                                                                                                 | 5.99                                                                                       | -                                                                                                             | 4.17            | (1.70)                         | -                      | (1.70)                         | -                                                    | 99.97%            |
| 5       | Grasim Bhiwani Textiles Limited (GBTL)            | 2017-18 | ₹        | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | 76.40           | (36.60)                        | -                      | (36.60)                        | -                                                    | 0%                |
|         |                                                   | 2016-17 | ₹        | 20.05                                             | 75.33                                                                  | 270.45                                                                                                               | 175.10                                                                                     | -                                                                                                             | 368.53          | (1.70)                         | (0.74)                 | (0.96)                         | -                                                    | 100%              |
| 6       | UltraTech Cement Limited (UTCL) - (Standalone)    | 2017-18 | ₹        | 274.61                                            | 25,648.41                                                              | 48,210.10                                                                                                            | 28,449.98                                                                                  | 6,162.90                                                                                                      | 30,683.93       | 3,301.84                       | 1,070.56               | 2,231.28                       | -                                                    | 60.21%            |
|         |                                                   | 2016-17 | ₹        | 274.51                                            | 23,666.50                                                              | 31,872.42                                                                                                            | 15,340.08                                                                                  | 7,408.67                                                                                                      | 26,886.73       | 3,775.95                       | 1,148.23               | 2,627.72                       | -                                                    | 60.23%            |
| 7       | Dakshin Cements Limited                           | 2017-18 | ₹        | 0.05                                              | (0.05)                                                                 | 37,774.00                                                                                                            | 63,734.00                                                                                  | -                                                                                                             | -               | (10,000.00)                    | -                      | (10,000.00)                    | -                                                    | 100%              |
|         |                                                   | 2016-17 | ₹        | 0.05                                              | (0.05)                                                                 | 37,774.00                                                                                                            | 53,734.00                                                                                  | -                                                                                                             | -               | (10,000.00)                    | -                      | (10,000.00)                    | -                                                    | 100%              |
| 8       | Harish Cement Limited                             | 2017-18 | ₹        | 0.25                                              | 153.63                                                                 | 156.25                                                                                                               | 2.37                                                                                       | -                                                                                                             | -               | (340.00)                       | -                      | (340.00)                       | -                                                    | 100%              |
|         |                                                   | 2016-17 | ₹        | 0.25                                              | 153.48                                                                 | 156.10                                                                                                               | 2.37                                                                                       | -                                                                                                             | -               | (17,037.00)                    | -                      | (17,037.00)                    | -                                                    | 100%              |
| 9       | Gotan Limestone Khanij Udyog Pvt. Ltd.            | 2017-18 | ₹        | 2.33                                              | 18.67                                                                  | 21.89                                                                                                                | 0.89                                                                                       | -                                                                                                             | -               | (0.43)                         | -                      | (0.43)                         | -                                                    | 100%              |
|         |                                                   | 2016-17 | ₹        | 2.33                                              | 19.10                                                                  | 22.83                                                                                                                | 1.40                                                                                       | -                                                                                                             | -               | (0.52)                         | -                      | (0.52)                         | -                                                    | 100%              |
| 10      | Bhagwati Lime Stone Company Pvt. Ltd.             | 2017-18 | ₹        | 0.01                                              | 1.76                                                                   | 1.95                                                                                                                 | 0.18                                                                                       | -                                                                                                             | -               | (0.05)                         | -                      | (0.05)                         | -                                                    | 100%              |
|         |                                                   | 2016-17 | ₹        | 0.01                                              | 1.81                                                                   | 1.92                                                                                                                 | 0.10                                                                                       | -                                                                                                             | -               | (0.09)                         | -                      | (0.09)                         | -                                                    | 100%              |
| 11      | UltraTech Cement Lanka Pvt. Ltd.                  | 2017-18 | SLR      | 50.00                                             | 140.77                                                                 | 365.85                                                                                                               | 165.08                                                                                     | -                                                                                                             | 1,340.87        | 39.25                          | 12.05                  | 27.20                          | -                                                    | 80%               |
|         |                                                   |         | ₹        | 20.92                                             | 58.91                                                                  | 148.89                                                                                                               | 69.06                                                                                      | -                                                                                                             | 563.39          | 16.50                          | 5.06                   | 11.44                          | -                                                    |                   |
|         |                                                   | 2016-17 | SLR      | 50.00                                             | 153.56                                                                 | 308.36                                                                                                               | 104.80                                                                                     | -                                                                                                             | 1,266.26        | 84.48                          | 21.08                  | 63.40                          | -                                                    | 80%               |
|         |                                                   |         | ₹        | 21.28                                             | 65.33                                                                  | 128.16                                                                                                               | 41.55                                                                                      | -                                                                                                             | 575.57          | 38.40                          | 9.59                   | 28.81                          | -                                                    |                   |

(₹ in Crore)

| Sr. No. | Name of the Subsidiary Companies                          | Year    | Currency             | Share Capital (Including Share Application Money) | Reserves and Surplus (Net of Debit Balance of Profit and Loss Account) | Total Assets (Non-Current Assets +Current Assets+ Deferred Tax Assets) excluding Current and Non-Current Investments | Total Liabilities (Non-Current Liabilities+ Current Liabilities +Deferred Tax Liabilities) | Details of Current and Non-Current Investments (excluding investments in subsidiary companies)- Treasury Bill | Gross Turnover# | Profit/ (Loss) Before Taxation | Provision for Taxation | Profit / (Loss) After Taxation | Proposed Dividend (including Corporate Dividend Tax) | % of shareholding |
|---------|-----------------------------------------------------------|---------|----------------------|---------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------|------------------------|--------------------------------|------------------------------------------------------|-------------------|
| 12      | UltraTech Cement Middle East Investment Ltd. (Standalone) | 2017-18 | AED                  | 25.13                                             | 15.59                                                                  | 112.58                                                                                                               | 71.86                                                                                      | -                                                                                                             | -               | (2.96)                         | -                      | (2.96)                         | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 445.28                                            | 276.29                                                                 | 1,994.87                                                                                                             | 1,273.30                                                                                   | -                                                                                                             | -               | (52.01)                        | -                      | (52.01)                        | -                                                    |                   |
|         |                                                           | 2016-17 | AED                  | 25.13                                             | 18.19                                                                  | 123.43                                                                                                               | 80.11                                                                                      | -                                                                                                             | -               | (1.75)                         | -                      | (1.75)                         | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 443.44                                            | 321.01                                                                 | 2,178.13                                                                                                             | 1,413.67                                                                                   | -                                                                                                             | -               | (31.86)                        | -                      | (31.86)                        | -                                                    |                   |
| 13      | Star Cement Co LLC, Dubai @                               | 2017-18 | AED                  | 1.50                                              | (15.51)                                                                | 40.07                                                                                                                | 54.07                                                                                      | -                                                                                                             | 33.28           | (0.71)                         | -                      | (0.71)                         | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 26.58                                             | (274.75)                                                               | 710.02                                                                                                               | 958.19                                                                                     | -                                                                                                             | 584.19          | (12.41)                        | -                      | (12.41)                        | -                                                    |                   |
|         |                                                           | 2016-17 | AED                  | 1.50                                              | (14.81)                                                                | 40.21                                                                                                                | 53.52                                                                                      | -                                                                                                             | 28.95           | (1.09)                         | -                      | (1.09)                         | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 26.47                                             | (261.38)                                                               | 709.50                                                                                                               | 944.41                                                                                     | -                                                                                                             | 528.55          | (19.90)                        | -                      | (19.90)                        | -                                                    |                   |
| 14      | Arabian Cement Industry LLC, Abu Dhabi @                  | 2017-18 | AED                  | 1.00                                              | (6.27)                                                                 | 19.02                                                                                                                | 24.29                                                                                      | -                                                                                                             | 21.86           | (0.71)                         | -                      | (0.71)                         | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 17.72                                             | (111.13)                                                               | 337.08                                                                                                               | 430.49                                                                                     | -                                                                                                             | 383.66          | (12.45)                        | -                      | (12.45)                        | -                                                    |                   |
|         |                                                           | 2016-17 | AED                  | 1.00                                              | (5.56)                                                                 | 17.72                                                                                                                | 22.28                                                                                      | -                                                                                                             | 18.92           | (1.19)                         | -                      | (1.19)                         | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 17.65                                             | (98.13)                                                                | 312.72                                                                                                               | 393.20                                                                                     | -                                                                                                             | 345.32          | (21.74)                        | -                      | (21.74)                        | -                                                    |                   |
| 15      | Star Cement Co LLC, Ras Al Khaimah @                      | 2017-18 | AED                  | 0.50                                              | 11.57                                                                  | 95.00                                                                                                                | 82.93                                                                                      | -                                                                                                             | 37.62           | 0.44                           | -                      | 0.44                           | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 8.86                                              | 204.99                                                                 | 1,683.32                                                                                                             | 1,469.48                                                                                   | -                                                                                                             | 660.25          | 7.67                           | -                      | 7.67                           | -                                                    |                   |
|         |                                                           | 2016-17 | AED                  | 0.50                                              | 10.73                                                                  | 95.75                                                                                                                | 84.53                                                                                      | -                                                                                                             | 36.97           | 4.80                           | -                      | 4.80                           | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 8.82                                              | 189.26                                                                 | 1,689.69                                                                                                             | 1,491.60                                                                                   | -                                                                                                             | 674.90          | 87.70                          | -                      | 87.70                          | -                                                    |                   |
| 16      | Al Nakhla Crushers LLC, Fujairah @                        | 2017-18 | AED                  | 0.20                                              | 1.87                                                                   | 5.00                                                                                                                 | 2.94                                                                                       | -                                                                                                             | 4.24            | 0.99                           | -                      | 0.99                           | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 3.54                                              | 33.05                                                                  | 88.64                                                                                                                | 52.05                                                                                      | -                                                                                                             | 74.45           | 17.38                          | -                      | 17.38                          | -                                                    |                   |
|         |                                                           | 2016-17 | AED                  | 0.20                                              | 0.88                                                                   | 5.20                                                                                                                 | 4.13                                                                                       | -                                                                                                             | 4.23            | 1.16                           | -                      | 1.16                           | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 3.53                                              | 15.46                                                                  | 91.81                                                                                                                | 72.82                                                                                      | -                                                                                                             | 77.24           | 21.14                          | -                      | 21.14                          | -                                                    |                   |
| 17      | Arabian Gulf Cement Company WLL, Bahrain @                | 2017-18 | Bahrain Dirham (BHD) | 0.03                                              | 1.32                                                                   | 1.57                                                                                                                 | 0.22                                                                                       | -                                                                                                             | 2.03            | 0.36                           | -                      | 0.36                           | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 5.18                                              | 227.59                                                                 | 271.09                                                                                                               | 36.33                                                                                      | -                                                                                                             | 346.46          | 62.44                          | -                      | 62.44                          | -                                                    |                   |
|         |                                                           | 2016-17 | Bahrain Dirham(BHD)  | 0.03                                              | 1.10                                                                   | 1.42                                                                                                                 | 0.29                                                                                       | -                                                                                                             | 1.17            | 0.20                           | -                      | 0.20                           | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 5.16                                              | 188.79                                                                 | 243.54                                                                                                               | 49.59                                                                                      | -                                                                                                             | 208.79          | 36.45                          | -                      | 36.45                          | -                                                    |                   |
| 18      | Emirates Cement Bangladesh Ltd, Bangladesh @              | 2017-18 | Takka                | 158.93                                            | (99.81)                                                                | 222.56                                                                                                               | 163.44                                                                                     | -                                                                                                             | 286.49          | 6.40                           | 2.65                   | 3.75                           | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 124.35                                            | (78.09)                                                                | 174.14                                                                                                               | 127.88                                                                                     | -                                                                                                             | 225.77          | 5.05                           | 2.09                   | 2.95                           | -                                                    |                   |
|         |                                                           | 2016-17 | Takka                | 158.93                                            | (103.59)                                                               | 239.72                                                                                                               | 184.38                                                                                     | -                                                                                                             | 257.82          | 5.71                           | 1.55                   | 4.16                           | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 129.24                                            | (84.24)                                                                | 194.94                                                                                                               | 149.94                                                                                     | -                                                                                                             | 219.99          | 4.87                           | 1.32                   | 3.55                           | -                                                    |                   |
| 19      | Emirates Power Company Ltd, Bangladesh @                  | 2017-18 | Takka                | 27.00                                             | (21.15)                                                                | 17.41                                                                                                                | 11.57                                                                                      | -                                                                                                             | 2.07            | -                              | -                      | -                              | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 21.12                                             | (16.55)                                                                | 13.62                                                                                                                | 9.05                                                                                       | -                                                                                                             | 1.63            | -                              | -                      | -                              | -                                                    |                   |
|         |                                                           | 2016-17 | Takka                | 27.00                                             | (21.16)                                                                | 19.72                                                                                                                | 13.88                                                                                      | -                                                                                                             | 2.70            | -                              | -                      | -                              | -                                                    | 100%              |
|         |                                                           |         | ₹                    | 21.95                                             | (17.20)                                                                | 16.04                                                                                                                | 11.29                                                                                      | -                                                                                                             | 2.30            | -                              | -                      | -                              | -                                                    |                   |



(₹ in Crore)

| Sr. No. | Name of the Subsidiary Companies                                                                        | Year    | Currency         | Share Capital (Including Share Application Money) | Reserves and Surplus (Net of Debit Balance of Profit and Loss Account) | Total Assets (Non-Current Assets + Current Assets + Deferred Tax Assets) excluding Current and Non-Current Investments | Total Liabilities (Non-Current Liabilities + Current Liabilities + Deferred Tax Liabilities) | Details of Current and Non-Current Investments (excluding investments in subsidiary companies) - Treasury Bill | Gross Turnover# | Profit/ (Loss) Before Taxation | Provision for Taxation | Profit / (Loss) After Taxation | Proposed Dividend (including Corporate Dividend Tax) | % of shareholding |
|---------|---------------------------------------------------------------------------------------------------------|---------|------------------|---------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------|------------------------|--------------------------------|------------------------------------------------------|-------------------|
| 20      | Awam Minerals LLC , Sultanate of Oman @ (Cesed control w.e.f. April 24, 2017)                           | 2017-18 | Omani Riyal      | -                                                 | -                                                                      | -                                                                                                                      | -                                                                                            | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | 0%                |
|         |                                                                                                         |         | ₹                | -                                                 | -                                                                      | -                                                                                                                      | -                                                                                            | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | -                 |
|         |                                                                                                         | 2016-17 | Omani Riyal      | 0.05                                              | (0.09)                                                                 | 0.11                                                                                                                   | 0.16                                                                                         | -                                                                                                              | 0.21            | (0.05)                         | -                      | (0.05)                         | -                                                    | 51%               |
|         |                                                                                                         |         | ₹                | 7.65                                              | (15.12)                                                                | 18.87                                                                                                                  | 26.33                                                                                        | -                                                                                                              | 36.20           | (8.55)                         | -                      | (8.55)                         | -                                                    | -                 |
| 21      | PT UltraTech Mining Indonesia                                                                           | 2017-18 | Indonesian Rupee | 1,158.90                                          | (1,037.66)                                                             | 124.73                                                                                                                 | 3.50                                                                                         | -                                                                                                              | -               | (0.19)                         | -                      | (0.19)                         | -                                                    | 80%               |
|         |                                                                                                         |         | ₹                | 5.49                                              | (4.92)                                                                 | 0.59                                                                                                                   | 0.02                                                                                         | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | -                 |
|         |                                                                                                         | 2016-17 | Indonesian Rupee | 1,158.90                                          | (1,037.47)                                                             | 121.43                                                                                                                 | -                                                                                            | -                                                                                                              | -               | (1,028.41)                     | -                      | (1,028.41)                     | -                                                    | 80%               |
|         |                                                                                                         |         | ₹                | 5.64                                              | (5.06)                                                                 | 0.58                                                                                                                   | -                                                                                            | -                                                                                                              | -               | (5.21)                         | -                      | (5.21)                         | -                                                    | -                 |
| 22      | PT UltraTech Investment Indonesia                                                                       | 2017-18 | Indonesian Rupee | 1,992.40                                          | 37.30                                                                  | 2,037.24                                                                                                               | 7.54                                                                                         | -                                                                                                              | -               | (0.21)                         | -                      | (0.21)                         | -                                                    | 100%              |
|         |                                                                                                         |         | ₹                | 9.43                                              | 0.18                                                                   | 9.65                                                                                                                   | 0.04                                                                                         | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | -                 |
|         |                                                                                                         | 2016-17 | Indonesian Rupee | 1,992.40                                          | 37.51                                                                  | 2,037.45                                                                                                               | 7.54                                                                                         | -                                                                                                              | -               | (0.30)                         | -                      | (0.30)                         | -                                                    | 100%              |
|         |                                                                                                         |         | ₹                | 9.70                                              | 0.18                                                                   | 9.92                                                                                                                   | 0.04                                                                                         | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | -                 |
| 23      | PT UltraTech Cement Indonesia                                                                           | 2017-18 | Indonesian Rupee | 2,033.46                                          | (1,416.83)                                                             | 622.42                                                                                                                 | 5.79                                                                                         | -                                                                                                              | -               | 22.54                          | -                      | 22.54                          | -                                                    | 99%               |
|         |                                                                                                         |         | ₹                | 9.62                                              | (6.71)                                                                 | 2.94                                                                                                                   | 0.03                                                                                         | -                                                                                                              | -               | 0.11                           | -                      | 0.11                           | -                                                    | -                 |
|         |                                                                                                         | 2016-17 | Indonesian Rupee | 2,033.46                                          | (1,439.37)                                                             | 596.38                                                                                                                 | 2.29                                                                                         | -                                                                                                              | -               | (1,180.92)                     | -                      | (1,180.92)                     | -                                                    | 99%               |
|         |                                                                                                         |         | ₹                | 9.91                                              | (7.02)                                                                 | 2.90                                                                                                                   | 0.01                                                                                         | -                                                                                                              | -               | (5.97)                         | -                      | (5.97)                         | -                                                    | -                 |
| 24      | Aditya Birla Capital Limited (ABCL)                                                                     | 2017-18 | ₹                | 2,201.04                                          | 4,943.05                                                               | 155.11                                                                                                                 | 866.89                                                                                       | 7,855.87                                                                                                       | 174.79          | 61.49                          | -                      | 61.49                          | -                                                    | 56.00%            |
|         |                                                                                                         | 2016-17 | ₹                | -                                                 | -                                                                      | -                                                                                                                      | -                                                                                            | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | 0.00%             |
| 25      | Aditya Birla PE Advisors Private Limited (Formerly known Aditya Birla Capital Advisors Private Limited) | 2017-18 | ₹                | 3.50                                              | 24.52                                                                  | 34.45                                                                                                                  | 8.43                                                                                         | 20.69                                                                                                          | 9.73            | (8.62)                         | (0.75)                 | (7.87)                         | -                                                    | 100.00%           |
|         |                                                                                                         | 2016-17 | ₹                | -                                                 | -                                                                      | -                                                                                                                      | -                                                                                            | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | -                 |
| 26      | Aditya Birla MyUniverse Limited (Formerly known as Aditya Birla Customer Service Limited)               | 2017-18 | ₹                | 18.00                                             | (240.06)                                                               | 32.62                                                                                                                  | 254.68                                                                                       | -                                                                                                              | 15.82           | (41.61)                        | -                      | (41.61)                        | -                                                    | 93.70%            |
|         |                                                                                                         | 2016-17 | ₹                | -                                                 | -                                                                      | -                                                                                                                      | -                                                                                            | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | -                 |
| 27      | Aditya Birla Trustee Company Private Limited                                                            | 2017-18 | ₹                | 0.05                                              | 0.32                                                                   | 0.40                                                                                                                   | 0.03                                                                                         | 0.38                                                                                                           | 0.07            | 0.05                           | 0.01                   | 0.04                           | -                                                    | 100.00%           |
|         |                                                                                                         | 2016-17 | ₹                | -                                                 | -                                                                      | -                                                                                                                      | -                                                                                            | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | -                 |
| 28      | Aditya Birla Insurance Brokers Limited                                                                  | 2017-18 | ₹                | 2.70                                              | 59.91                                                                  | 154.13                                                                                                                 | 91.52                                                                                        | 28.75                                                                                                          | 260.98          | 39.15                          | 14.48                  | 24.67                          | 22.53                                                | 50.00%            |
|         |                                                                                                         | 2016-17 | ₹                | -                                                 | -                                                                      | -                                                                                                                      | -                                                                                            | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | -                 |
| 29      | Aditya Birla Money Mart Limited                                                                         | 2017-18 | ₹                | 0.10                                              | (4.86)                                                                 | 30.43                                                                                                                  | 35.19                                                                                        | 29.75                                                                                                          | 0.12            | (1.20)                         | -                      | (1.20)                         | -                                                    | 100.00%           |
|         |                                                                                                         | 2016-17 | ₹                | -                                                 | -                                                                      | -                                                                                                                      | -                                                                                            | -                                                                                                              | -               | -                              | -                      | -                              | -                                                    | -                 |



(₹ in Crore)

| Sr. No. | Name of the Subsidiary Companies                                                                             | Year    | Currency   | Share Capital (Including Share Application Money) | Reserves and Surplus (Net of Debit Balance of Profit and Loss Account) | Total Assets (Non-Current Assets +Current Assets+ Deferred Tax Assets) excluding Current and Non-Current Investments | Total Liabilities (Non-Current Liabilities+ Current Liabilities +Deferred Tax Liabilities) | Details of Current and Non-Current Investments (excluding investments in subsidiary companies)- Treasury Bill | Gross Turnover# | Profit/ (Loss) Before Taxation | Provision for Taxation | Profit / (Loss) After Taxation | Proposed Dividend (including Corporate Dividend Tax) | % of shareholding |
|---------|--------------------------------------------------------------------------------------------------------------|---------|------------|---------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------|------------------------|--------------------------------|------------------------------------------------------|-------------------|
| 30      | Aditya Birla Money Insurance Advisory Services Limited                                                       | 2017-18 | ₹          | 2.47                                              | (4.29)                                                                 | 1.75                                                                                                                 | 3.57                                                                                       | -                                                                                                             | 1.18            | (1.81)                         | -                      | (1.81)                         | -                                                    | 100.00%           |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 31      | ABCAPT Trustee Company Private Limited                                                                       | 2017-18 | ₹          | 0.02                                              | (0.02)                                                                 | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | 8                              | -                      | 8                              | -                                                    | 100.00%           |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 32      | Aditya Birla Sun Life Trustee Company Private Limited                                                        | 2017-18 | ₹          | 0.02                                              | 0.72                                                                   | 0.77                                                                                                                 | 0.03                                                                                       | 0.69                                                                                                          | 0.05            | 0.07                           | (0.01)                 | 0.06                           | -                                                    | 50.85%            |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 33      | Aditya Birla Wellness Private Limited                                                                        | 2017-18 | ₹          | 8.33                                              | 8.06                                                                   | 22.27                                                                                                                | 5.88                                                                                       | 11.38                                                                                                         | 2.23            | (5.99)                         | -                      | (5.99)                         | -                                                    | 51.00%            |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 34      | Aditya Birla Financial Shared Services Limited                                                               | 2017-18 | ₹          | 0.05                                              | 0.62                                                                   | 55.30                                                                                                                | 54.63                                                                                      | 1.82                                                                                                          | -               | 0.06                           | 8                      | 0.06                           | -                                                    | 100.00%           |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 35      | Aditya Birla Health Insurance Company Limited                                                                | 2017-18 | ₹          | 132.88                                            | (43.48)                                                                | 334.41                                                                                                               | 245.01                                                                                     | 210.07                                                                                                        | 247.99          | (189.22)                       | -                      | (189.22)                       | -                                                    | 51.00%            |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 36      | Aditya Birla Commodities Broking Limited                                                                     | 2017-18 | ₹          | 5.50                                              | (0.62)                                                                 | 25.63                                                                                                                | 20.75                                                                                      | -                                                                                                             | 5.21            | 0.51                           | 0.01                   | 0.50                           | -                                                    | 74.03%            |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 37      | Birla Sun Life AMC (Mauritius) Limited                                                                       | 2017-18 | US\$ in Mn | 0.05                                              | 1.25                                                                   | 1.33                                                                                                                 | 0.03                                                                                       | -                                                                                                             | 1.13            | 0.96                           | 0.03                   | 0.93                           | 0.60                                                 | 51%               |
|         |                                                                                                              |         | ₹          | 0.29                                              | 8.13                                                                   | 8.63                                                                                                                 | 0.21                                                                                       | -                                                                                                             | 7.31            | 6.21                           | 0.19                   | 6.02                           | 3.87                                                 | 51%               |
|         |                                                                                                              | 2016-17 | US\$ in Mn |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
|         |                                                                                                              |         | ₹          |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 38      | Birla Sun Life AMC Pte. Limited, Singapore                                                                   | 2017-18 | SGD in Mn  | 13.80                                             | (9.36)                                                                 | 5.40                                                                                                                 | 1.16                                                                                       | -                                                                                                             | 5.84            | 1.24                           | -                      | 1.24                           | -                                                    | 51%               |
|         |                                                                                                              |         | ₹          | 67.56                                             | (46.48)                                                                | 26.84                                                                                                                | 5.77                                                                                       | -                                                                                                             | 27.78           | 5.91                           | -                      | 5.91                           | -                                                    | 51%               |
|         |                                                                                                              | 2016-17 | SGD in Mn  |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
|         |                                                                                                              |         | ₹          |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 39      | Birla Sun Life AMC Limited, Dubai                                                                            | 2017-18 | US\$ in Mn | 3.13                                              | (2.38)                                                                 | 0.99                                                                                                                 | 0.24                                                                                       | -                                                                                                             | 0.89            | 0.03                           | -                      | 0.03                           | -                                                    | 51%               |
|         |                                                                                                              |         | ₹          | 20.33                                             | (15.50)                                                                | 6.39                                                                                                                 | 1.56                                                                                       | -                                                                                                             | 5.74            | 0.22                           | -                      | 0.22                           | -                                                    | 51%               |
|         |                                                                                                              | 2016-17 | US\$ in Mn |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
|         |                                                                                                              |         | ₹          |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 40      | Aditya Birla Sun Life Asset Management Company Limited (Formerly known as Birla Sun Life AMC Limited)        | 2017-18 | ₹          | 18.00                                             | 1,054.60                                                               | 1,361.55                                                                                                             | 288.95                                                                                     | 1,068.65                                                                                                      | 1,216.07        | 464.32                         | 162.32                 | 322.00                         | 240.47                                               | 51.00%            |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 41      | Aditya Birla ARC Limited                                                                                     | 2017-18 | ₹          | 108.00                                            | (1.09)                                                                 | 107.99                                                                                                               | 1.08                                                                                       | -                                                                                                             | -               | (1.09)                         | -                      | (1.09)                         | -                                                    | 100.00%           |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 42      | Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited) | 2017-18 | ₹          | 1,901.20                                          | 111.79                                                                 | 38,623.55                                                                                                            | 38,610.56                                                                                  | 12,138.75                                                                                                     | 6,374.96        | 166.83                         | -                      | 166.23                         | -                                                    | 51.00%            |
|         |                                                                                                              | 2016-17 |            |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |

(₹ in Crore)

| Sr. No. | Name of the Subsidiary Companies                                                                               | Year       | Currency     | Share Capital (Including Share Application Money) | Reserves and Surplus (Net of Debit Balance of Profit and Loss Account) | Total Assets (Non-Current Assets +Current Assets+ Deferred Tax Assets) excluding Current and Non-Current Investments | Total Liabilities (Non-Current Liabilities+ Current Liabilities +Deferred Tax Liabilities) | Details of Current and Non-Current Investments (excluding investments in subsidiary companies)- Treasury Bill | Gross Turnover# | Profit/ (Loss) Before Taxation | Provision for Taxation | Profit / (Loss) After Taxation | Proposed Dividend (including Corporate Dividend Tax) | % of shareholding |
|---------|----------------------------------------------------------------------------------------------------------------|------------|--------------|---------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------|------------------------|--------------------------------|------------------------------------------------------|-------------------|
| 43      | Aditya Birla Sun Life Pension Management Limited (Formerly known as Birla Sun Life Pension Management Limited) | 2017-18    | ₹            | 27.00                                             | (1.19)                                                                 | 26.45                                                                                                                | 0.64                                                                                       | 23.52                                                                                                         | ₹               | (1.25)                         | 0.01                   | (1.26)                         | -                                                    | 51.00%            |
|         |                                                                                                                | 2016-17    |              |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 44      | Aditya Birla Housing Finance Limited                                                                           | 2017-18    | ₹            | 412.57                                            | 337.49                                                                 | 8,242.01                                                                                                             | 7,491.95                                                                                   | -                                                                                                             | 615.12          | 23.72                          | (8.86)                 | 32.58                          | -                                                    | 100.00%           |
|         |                                                                                                                | 2016-17    |              |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 45      | Aditya Birla Finance Limited                                                                                   | 2017-18    | ₹            | 655.68                                            | 5,665.56                                                               | 44,194.96                                                                                                            | 37,873.72                                                                                  | 1,169.84                                                                                                      | 4,480.00        | 1,109.27                       | 378.44                 | 730.83                         | 0.97                                                 | 100.00%           |
|         |                                                                                                                | 2016-17    |              |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 46      | Aditya Birla Money Limited                                                                                     | 2017-18    | ₹            | 15.61                                             | 39.74                                                                  | 514.86                                                                                                               | 459.30                                                                                     | 29.75                                                                                                         | 156.94          | 12.27                          | 2.70                   | 9.57                           | -                                                    | 74.03%            |
|         |                                                                                                                | 2016-17    |              |                                                   |                                                                        |                                                                                                                      |                                                                                            |                                                                                                               |                 |                                |                        |                                |                                                      |                   |
| 47      | India Advantage Fund Limited                                                                                   | 31-12-2017 | US\$ in Lakh | 0.01                                              | -                                                                      | 0.01                                                                                                                 | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | 51%               |
|         |                                                                                                                |            | ₹            | 0.01                                              | -                                                                      | 0.01                                                                                                                 | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | 51%               |
|         |                                                                                                                | 31-12-2016 | US\$ in Mn   | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | -                 |
|         |                                                                                                                |            | ₹            | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | -                 |
| 48      | International Opportunities Fund SPC                                                                           | 31-12-2017 | US\$         | 0.01                                              | -                                                                      | 0.01                                                                                                                 | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | 51%               |
|         |                                                                                                                |            | ₹            | ₹                                                 | -                                                                      | ₹                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | 51%               |
|         |                                                                                                                | 31-12-2016 | US\$ in Mn   | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | -                 |
|         |                                                                                                                |            | ₹            | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | -                 |
| 49      | Global Green Energy Fund                                                                                       | 31-12-2017 | US\$         | 0.01                                              | -                                                                      | 0.01                                                                                                                 | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | 51%               |
|         |                                                                                                                |            | ₹            | ₹                                                 | -                                                                      | ₹                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | 51%               |
|         |                                                                                                                | 31-12-2016 | US\$ in Mn   | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | -                 |
|         |                                                                                                                |            | ₹            | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | -                 |
| 50      | New Horizon Fund (SPC) Limited                                                                                 | 31-12-2017 | US\$         | 0.01                                              | -                                                                      | 0.01                                                                                                                 | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | 51%               |
|         |                                                                                                                |            | ₹            | ₹                                                 | -                                                                      | ₹                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | 51%               |
|         |                                                                                                                | 31-12-2016 | US\$ in Mn   | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | -                 |
|         |                                                                                                                |            | ₹            | -                                                 | -                                                                      | -                                                                                                                    | -                                                                                          | -                                                                                                             | -               | -                              | -                      | -                              | -                                                    | -                 |

# With effect from 1st July 2017, sales are recorded net of Goods and Service Tax (GST) whereas prior to 1st July 2017 sales were recorded gross of excise duty which formed part of expenses. Hence, revenue from operations for year ended 31st March, 2018 are not comparable with figures of previous year

@ Subsidiaries of UltraTech Cement Middle East Investment Ltd.

₹ Represents that the amount is less than ₹ 50,000

## Part "B" : Joint Ventures/Associates

(₹ in Crore)

| Sr. No. | Name of the Associates and Joint Ventures           | Latest audited Balance Sheet Date | Shares of Joint ventures held by the company on year end |                                       |                       | Networth attributable to shareholding as per latest audited Balance Sheet | Profit / (Loss) for the year |                                |                                     |
|---------|-----------------------------------------------------|-----------------------------------|----------------------------------------------------------|---------------------------------------|-----------------------|---------------------------------------------------------------------------|------------------------------|--------------------------------|-------------------------------------|
|         |                                                     |                                   | Nos.                                                     | Amount of Investment in Joint venture | Extent of Holding (%) |                                                                           |                              | i. Considered in consolidation | ii. Not considered in Consolidation |
| 1       | Madanpura (North) Coal Company Pvt. Ltd. \$         | 31.03.2018                        | 11,52,560                                                | 1.15                                  | 11.17%                | 0.95                                                                      | (0.91)                       | (0.10)                         | (0.81)                              |
| 2       | Bhaskarpara Coal Company Ltd. \$                    | 31.03.2018                        | 81,41,050                                                | 8.14                                  | 11.17%                | 7.41                                                                      | 0.02                         | 0.01                           | 0.01                                |
| 3       | Aditya Birla Renewables SPV 1 Limited \$            | 31.03.2018                        | 35,23,520                                                | 3.52                                  | 11.17%                | 3.48                                                                      | (0.16)                       | (0.04)                         | (0.12)                              |
| 4       | AV Group NB Inc.                                    | 31.03.2018                        | 2,04,750                                                 | 175.78                                | 45.00%                | 547.42                                                                    | 202.56                       | 91.15                          | 111.41                              |
| 5       | Birla Jingwei Fibres Co. Limited                    | 31.03.2018                        | -                                                        | 117.40                                | 26.63%                | 82.60                                                                     | 58.62                        | 15.61                          | 43.01                               |
| 6       | Birla Lao Pulp & Plantations Company Limited        | 31.12.2017                        | -                                                        | 95.71                                 | 40.00%                | 105.09                                                                    | (2.30)                       | (0.92)                         | (1.38)                              |
| 7       | Bhubaneswari Coal Mining Limited                    | 31.03.2018                        | 3,35,40,000                                              | 33.54                                 | 26.00%                | 88.37                                                                     | 50.69                        | 13.18                          | 37.51                               |
| 8       | Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi | 31.03.2018                        | 16,665                                                   | 0.47                                  | 33.33%                | 1.38                                                                      | 0.36                         | 0.12                           | 0.24                                |
| 9       | Aditya Group AB                                     | 31.03.2018                        | 50                                                       | 321.21                                | 33.33%                | 406.72                                                                    | 69.43                        | 23.14                          | 46.29                               |
| 10      | AVTerrace Bay Inc. &                                | 31.03.2018                        | 2,80,00,000                                              | 156.36                                | 40.00%                | -                                                                         | 13.63                        | -                              | 13.63                               |
| 11      | Aditya Birla Science & Technology Co. Private Ltd # | 31.03.2018                        | 98,99,500                                                | 11.35                                 | 49.50%                | 15.77                                                                     | 2.22                         | 1.39                           | 0.83                                |
| 12      | Idea Cellular Ltd. #                                | 31.03.2018                        | 1,00,85,40,115                                           | 7,310.92                              | 23.13%                | 6,286.22                                                                  | (4,168.16)                   | (957.09)                       | (3,211.07)                          |
| 13      | Aditya Birla Renewables Limited                     | 31.03.2018                        | 2,79,36,000                                              | 27.94                                 | 85.59%                | 23.77                                                                     | (0.43)                       | (0.22)                         | (0.21)                              |
| 14      | Aditya Birla Solar Limited                          | 31.03.2018                        | 3,03,26,602                                              | 30.33                                 | 50.10%                | 32.72                                                                     | 5.61                         | 2.81                           | 2.80                                |
| 15      | Aditya Birla Idea Payments Bank Limited #           | 31.03.2018                        | 23,06,80,885                                             | 230.68                                | 87.86%                | 139.84                                                                    | (91.39)                      | (75.35)                        | (16.04)                             |

# Represents Associates

\* Excluding Provision for impairment in Long-Term Investment of ₹ 61.37 Cr

^ Excluding Provision for impairment in Long term investment of ₹ 41.32 Cr

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

&amp; The company has discontinued recognising its share of further losses as it exceeds the companies interest in AVTB as per Ind AS 28



# Annexure 'C' to the Board's Report

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

1. The accompanying Corporate Governance Report prepared by Grasim Industries Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following committee meetings held through the period from April 01, 2018 to March 31, 2018:
    - (a) Board of Directors Meeting;
    - (b) Audit Committee;
    - (c) Annual General Meeting;
    - (d) Nomination and Remuneration Committee;

- (e) Stakeholders Relationship Committee;
- (f) Corporate Social Responsibility Committee;
- (g) Risk Management Committee;
- (h) Independent Directors Meeting;
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we

are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

#### Other matters and Restriction on Use

9. This report 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.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Akeel Master  
Partner  
Membership No: 046768

Mumbai  
23 May 2018

For S R B C & CO LLP  
Chartered Accountants  
Firm's Registration No: 324982E/E300003w

Vijay Maniar  
Partner  
Membership No: 36738

Mumbai  
23 May 2018

# Annexure 'D' to the Board's Report

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

### A. CONSERVATION OF ENERGY

#### a) The steps taken and impact on Conservation of Energy

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

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

#### i) Viscose Staple Fibre (VSF) and Pulp Units

- Improving utilisation of heat available in the system by heat integration of various processes to save steam and power through:
  - o Heat recovery from scrubber water through heat integration with process streams
  - o Pre-heating of air in fibre dryer using scrubber water
  - o Indirect black liquor heater for recovery boiler to improve energy utilisation
  - o Heat recovery from sumpzone through integration in place of cooling towers.
- Adoption of high efficiency equipment to reduce energy consumption:
  - o Adoption of fine homogenizers for viscose blenders
  - o Adoption of online energy monitoring system
  - o FRP Pultruded cooling towers in place of old wooden cooling towers
  - o Installation of FRP cooling tower fan blades in place of metallic blades
  - o Installation of Zero loss traps in air compressors

- o Replacement of conventional lighting with energy efficient LEDs
- o Installation of VFDs in critical pumps and equipment.
- Process improvement to save energy
  - o Redesigning and resizing of Multi-Stage Flash Evaporators to increase water evaporation economy and save steam
  - o Rerouting of process piping to avoid double pumping
  - o Optimisation of chilled water flow through the process to reduce pumping energy consumption.

#### ii) Chemical Units

- Timely replacement of membranes and recoating of elements for Energy Conservations and stay ahead PAT requirements
- Focus on total energy and energy costs by optimising Vapor Absorption Machines and Screw Chillers and selection, whichever is lower to suit the configuration of sites
- Evaluation, upgrading and optimising line sizes of various process streams including Cl<sub>2</sub> to minimise process energy losses in tandem with thermal and electrical energy requirements
- Continual focus on replacing inefficient and obsolete equipment's pumps, motors and other energy drives for energy conservation.

#### iii) Textile Units

- Installation of variable frequency drives for Hypdro machine and fans & pumps in Humidification plant.



- Recovery of 100% steam condensate and reuse in boiler as feed water (increase boiler efficiency)
- Modification done in control circuit to stop idle running of suction fans in preparatory m/cs
- Adoption of high efficiency equipment to reduce energy consumption:
- Adoption of new high efficiency HTHP dyeing machines, which consumes less energy and water
- Increase of Boiler efficiency by 2 – 3 %
- Reduce power consumption in autoclave m/c by changing electric heating to steam heating
- Reduce borewell water consumption to reduce running hours of raw water pumps.

#### iv) Rayon Units

Applying corrocoat coating in new MCT pumps.

ESP-2/1,2/2 and 2/3 major casing leakages were attended.

Soot blowing from 36 ata line instead of 90 ata.

Cooling water pumps B & E impeller anti-friction coating.

#### iv) Fertiliser Units

- Improvement in power factor of the electrical system from 0.95 to 0.99 by installing capacitor banks at Sapthi Plant and Customised Fertiliser Plant.
- Replacement of catalyst in ZnO reactor of Ammonia Plant
- Replacement of 2nd and 3rd stage separators in Process Air Compressor (PAC) in Ammonia Plant
- Up-gradation of Mark-V control system of power generation unit (TG-701) with Mark-Vie control system.

#### v) Insulator Units

Installation of LPG-operated direct-fired hot air generators at 8 nos Mangle dryers by replacing HSD-fired indirect type thermic fluid heater.

Replacement of old conventional motors by energy efficient motors.

- Improving heat utilisation in Kilns by
  - Pre-heated combustion air used for combustion by installing Recuperator in Batch Kiln no K2,K3,K6
  - Replacement of roof lining with low thermal mass high density ceramic Pyroblock
  - Kiln car refractory design modification in Tunnel Kiln to optimise loading
  - Automation in Kiln Firing system from manual Air/Gas control to ratio control in K2, K3 and K6

Installation of energy efficient LED-based lighting and Fans in all the plants

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

- Karwar: 2 MW Power is sourced from Solar Power Grid on daily basis, which is 10 to 15% Power requirement of site
- Veraval: 50 Kw Solar Panel installed
- Utilisation of leftover pre-hydrolysis liquor to generate additional biogas resulting in reduction in consumption of furnace oil.

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

- Total investment made ₹ 45.55 Cr.

### B. TECHNOLOGY ABSORPTION

#### a) The efforts made towards Technology Absorption Fibre and Pulp

- Improving consistency of dope dyed superwhite VSF for use in uniforms and other white applications, development and market seeding of dyed fibre with anti-microbial properties and a new development in cationic fibre technology
- Developing technology capabilities for delivering high quality spun shades in both India and China markets
- Improving modal/micro modal quality and productivity - cross section stabilisation at TRC and improved finish at Vilayat
- Quality and productivity improvement initiatives on the Excel lines
- Continuous upgrading of production lines to deliver MVS grade fibre to the market.

**Chemical**

Upgradation of technology (three electrolysis from earlier generation to latest 6th generation electrolisers) across the business in a time bound and phased manner to achieve best specific energy consumption.

**Rayon Unit**

New product development of 120/9 VFY and successfully commercialised.

Developed new shade for silk segment through CSY route.

Developed high speed TFO in SSY technology.

Installation of Filtering Column in Boiler #3 ESP for lower emission. This technology is first time in India.

Installation of GSM (Global System for Mobile communication) for SMS alert to key persons

for deviation in critical parameters like Vibration, Temperature Monitoring, and Fire Detector Alarms, etc. in vital equipment and locations.

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

**Fibre and Pulp Units**

- Improved fulfillment of market requirement for dope-dyed shades and new products getting momentum in market
- Quality of modal/micro-modal improved as per market expectations
- Excel quality achieved global best standards
- Fine tuning of VSF process for reduction in consumption of key raw materials leading to cost reduction.

**Fertiliser Unit :**

IGF, in-house R&D lab has developed 8 CFG grades soil specific formulation based on soil test crop response model for different districts for different crops, i.e., wheat, paddy, potato, sugarcane, corn etc., and have been commercialised in UP, Bihar, Bengal, Jharkhand. These grades have helped in improving soil health and improve deficiency of major and micro-nutrients and increased productivity of grain yield by 10-15%.

| New Products Launched and Benefits |        |                    |                                                                                                                                                    |
|------------------------------------|--------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Product                            | Crop   | State              | Benefit to Farmer                                                                                                                                  |
| Customised Fertiliser              | Maize  | Bihar              | More production and grain filling, ₹ 7000-7500/acre additional income to farmer.                                                                   |
| Customised Fertiliser              | Potato | West Bengal        | Less pest attack with increase in production, ₹ 10000-12,000/acre additional income.                                                               |
| PHP                                | Riddhi | West Bengal        | Good root development and healthy seedling. 8-10% yield increase, ₹ 1600-1800/acre additional income.                                              |
| SHP                                | Oorja  | All working states | Average 15-18% increase in yield. Improved soil health, enhance quality of produce and crop growth. ₹ 4500-5000/acre additional income for farmer. |
| Agro-chemical                      | Cafura | All working states | Average 9-10% increase in production, reduce flower and fruit drop, ₹ 2000-2200/acre additional income generated to farmer.                        |

**Rayon Unit**

Quality improvement in existing range, development of new market segments, improvement in process, productivity and cost control, increase in customer base and yield, improvement in energy consumption and energy efficiency and reduction in input material consumption.

**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 | Electrolysis membrane cell technology with 6th generation electrolyser | 2015-16        | Yes                                               | NA                                                                                         |
| Chemical | Latest technology, 6th generation electrolyser                         | 2016-17        | Yes                                               | NA                                                                                         |
| Chemical | Latest technology, 6th generation electrolyser                         | 2017-18        | Not yet, as commissioning of plant is in progress | NA                                                                                         |

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

| Expenditure | ₹ in Crore   |
|-------------|--------------|
| a. Capital  | 20.48        |
| b. Revenue  | 55.13        |
|             | <u>75.61</u> |

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- Foreign Exchange used : ₹ 5,879.22 Crore
- Foreign Exchange earned : ₹ 2,987.27 Crore



# Annexure 'E' to the Board's Report

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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 good corporate practices by Grasim Industries Limited (hereinafter called the 'Company') for the financial year ended on 31st March 2018 (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, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Audit year ended on 31st March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 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 External Commercial Borrowings transferred from erstwhile Aditya Birla Nuvo Limited pursuant to the Scheme;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; 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.
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008;

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to Board Meetings and General Meetings.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Standards as mentioned above.

During the audit period under review, provisions of the following Act/ Regulations were not applicable to the Company:

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

- b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

#### **We further report that -**

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any members of the Board of Directors during the audit period.

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:**

1. The Composite Scheme of Arrangement between Aditya Birla Nuvo Limited, Grasim Industries

Limited and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited) and their respective shareholders and creditors (the Scheme) was approved by NCLT vide its order dated 1st June 2017 and has become effective from 1st July 2017. Aditya Birla Nuvo Limited amalgamated with Company w.e.f. 1st July 2017, all the precedent condition had been satisfied or waived and 4th July 2017 was approved as Effective date for Demerger of Financial Business of the Company to Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited).

2. Company has allotted 19,04,62,665 fully paid up equity shares of ₹ 2/- each of the Company to the shareholders of Aditya Birla Nuvo Limited, whose names appear in the list of allottees prepared by Karvy Computershare Private Limited, Registrars and Transfer Agents of the Company in the ratio of 15 (fifteen) fully paid equity share of ₹ 2/- each of the Company, credited as fully paid up, for every 10 (ten) fully paid up equity share of ₹ 10/- each of Aditya Birla Nuvo Limited as on Record Date i.e. 6th July 2017 pursuant to the Scheme.

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

B. Narasimhan  
Partner  
Place: Mumbai  
Date: 23rd May 2018  
FCS No.1303/ COP No. 10440

**Annexure I to the Secretarial Audit Report for the financial year ended 31st March 2018**

To,  
The Members,  
Grasim Industries Limited

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

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

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

Place: Mumbai  
Date: 23rd May 2018

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



# Annexure 'F' to the Board's Report

## ANNUAL REPORT ON CSR ACTIVITIES

- 1 A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs :

To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society, to contribute effectively towards inclusive growth and raise the country's human development index.

Our projects focus on – education, healthcare, sustainable livelihood, infrastructure development and social reform, epitomizing a holistic approach to inclusive growth.

The Company's CSR policy can be accessed on:  
[http://www.grasim.com/about\\_us/CSR\\_Policy](http://www.grasim.com/about_us/CSR_Policy)

- 2 Composition of the CSR Committee

: Mrs. Rajashree Birla, Chairperson

Mr. Shailendra K. Jain, Director

Mr. B. V. Bhargava, Independent Director

Mr. Dilip Gaur, Managing Director

Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR, Permanent Invitee

- 3 Average net profit of the company for last three financial years :

₹ 1107.04 Crores

- 4 Prescribed CSR Expenditure (two percent of the amount as in Item 3 above) :

₹ 22.14 Crores

- 5 Details of CSR spent during the financial year:

Total amount to be spent for the financial year : ₹ 29.84 Crores\*

Amount unspent, if any : -

- \* includes CSR expenses of Businesses of erstwhile Aditya Birla Nuvo Ltd. (ABNL) merged with the Company with effect from 1st July, 2017.

If ABNL's last 3 years average profit is considered for 9-months period (i.e., with effect from 1st July, 2017), the actual spent amount is 2.06% of the last 3 years' average profit.

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 / Programs 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/ Programmes Subheads : (1) Direct expenditure on project/ programs (2) Overheads (₹ in Lakhs) | Cumulative Spend upto reporting period (₹ in Lakhs) | Amount Spent: Direct or through implementing agency*                              |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------|
| 1      | <b>1. Pre school education Project</b><br>Balwadies/play schools/crèches; Strengthening Anganwadis Centres                                                                                                                                                                                                                                                                                                                                                                        | Education                           | Bharuch & Surat (Gujarat), Ujjain (MP), Hoogly (WB)                                                                                             | 9.66                                                          | 5.36                                                                                                                      | 878.41                                              | All expenses incurred directly by the Company / Trust through implementing Agency |
|        | <b>2. School Education Project</b><br>Enrolment awareness programs/ events; Formal schools outside campus; Education Material (Study materials, Uniform, Books etc.); Scholarship (Merit and Need based assistance) School competitions /Best teacher award; Cultural events, Quality of Education (support teachers, improve education methods); Specialized Coaching; Exposure visits/awareness, Formal schools inside campus (Company Schools), Support to Midday Meal Project |                                     | Bharuch, Surat, Panchmahal & Gir Somnath (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP), Hoogly (WB), Amethi (UP) | 705.41                                                        | 673.44                                                                                                                    |                                                     |                                                                                   |
|        | <b>3. Education support programs</b><br>Knowledge Centre/Library; Adult/Non Formal Education; Celebration of National days; Computer education; Reducing drop out and Continuing Education (Kasturba Balika / counseling), Career Counseling and orientation.                                                                                                                                                                                                                     |                                     | Bharuch & Gir Somnath (Gujarat), Ujjain (MP), Haveri, Karwar (Karnataka), Ganjam (Orissa), Rehla (Jharkhand)                                    | 16.43                                                         | 17.81                                                                                                                     |                                                     |                                                                                   |
|        | <b>4. Vocational &amp; Technical</b><br>Education: Strengthening ITI's; Skill Based Individual training Program                                                                                                                                                                                                                                                                                                                                                                   |                                     | Ujjain (MP), Bharuch (Gujarat), Rehla (Jharkhand) & Amethi (UP)                                                                                 | 63.40                                                         | 65.79                                                                                                                     |                                                     |                                                                                   |
|        | <b>5. School Infrastructure</b><br>Building & Civil Structure (new), Building and Civil structures (renovation and Maintenance), School sanitation /drinking water; School facilities and fixtures (Furniture / black boards / computers)                                                                                                                                                                                                                                         |                                     | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Renukoot (UP)                                                    | 101.68                                                        | 116.01                                                                                                                    |                                                     |                                                                                   |

| Sr. No | CSR Projects / Activities Identified                                                                                                                                                                                                                                                                                                                                      | Sector in which the project covered | Project / Programs Local Area / others. Specify the State / District where the Project Undertaken                                                                           | Amount Outlay (Budget) Project or Programme wise (₹ in Lakhs) | Amount Spent on the Project/ Programmes Subheads : (1) Direct expenditure on project/ programs (2) Overheads (₹ in Lakhs) | Cumulative Spend upto reporting period (₹ in Lakhs) | Amount Spent: Direct or through implementing agency*                              |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------|
| 2.     | <b>1. Preventive Health Care:</b><br>Immunization, Pulse polio immunization, Health Check-up camps, Ambulance Mobile Dispensary Program, Malaria/ Diarrhea /Control programs, Health & Hygiene awareness programs, School health/Eye/ Dental camps, Yoga/fitness classes.                                                                                                 | Health Care                         | Bharuch, Surat & Gir Somnath (Gujarat), Ujjain (MP), Haveri, (Karnataka), Rehla (Jharkhand), Sonebhadra & Amethi (UP)                                                       | 55.04                                                         | 45.19                                                                                                                     | 734.77                                              | All expenses incurred directly by the Company / Trust through implementing Agency |
|        | <b>2. Curative Health Care program</b><br>General Health Camps Specialized Health Camps, Eye camps, Treatment Camps (Skin, cleft, etc.), Cleft camp, Homeopathic/ Ayurvedic Camps, Surgical camps, Tuberculosis Leprosy Company operated hospitals/ dispensaries/clinic.                                                                                                  |                                     | Bharuch, Surat & Gir Somnath (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB) & Amethi (UP)                                      | 571.93                                                        | 514.90                                                                                                                    |                                                     |                                                                                   |
|        | <b>3. Reproductive and Child Health</b><br>Mother and Child Health care (Ante Natal Care, Pre Natal Care and Neonatal care), Adolescent Health care, Infant and child health (Healthy baby competition), Support to family planning /camps, Nutritional programs for mother/child.                                                                                        |                                     | Bharuch (Gujarat) & Ujjain (MP)                                                                                                                                             | 8.09                                                          | 2.99                                                                                                                      |                                                     |                                                                                   |
|        | <b>4. Quality / Support Program</b><br>Referral services Treatment of BPL, old age or needy patient, HIV- AIDS Awareness Program, RTI/ STD Awareness program, Support for differently abled, Ambulance services, Blood donation camps, Blood Grouping.                                                                                                                    |                                     | Ujjain (MP), Gir Somnath (Gujarat), & Ganjam (Orissa)                                                                                                                       | 8.01                                                          | 7.20                                                                                                                      |                                                     |                                                                                   |
|        | <b>5. Health Infrastructure &amp; Others</b><br>Buildings and Civil structures(new), Buildings and Civil structures (renovation and maintenance), Village Community Sanitation (toilets/drainage), Individual Toilets, Drinking water new sources, (Hand pump /RO/ Water Tank/well), Drinking water existing sources (operation/ maintenance), Water source purification. |                                     | Bharuch, Surat & Gir Somnath (Gujarat), Ujjain, Bhind & Morena (MP), Haveri, Karwar (Karnataka), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB) & Sonebhadra & Amethi (UP) | 169.35                                                        | 164.49                                                                                                                    |                                                     |                                                                                   |



| Sr. No | CSR Projects / Activities Identified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Sector in which the project covered | Project / Programs Local Area / others. Specify the State / District where the Project Undertaken                                                                                                                    | Amount Outlay (Budget) Project or Programme wise (₹ in Lakhs) | Amount Spent on the Project/ Programmes Subheads : (1) Direct expenditure on project/ programs (2) Overheads (₹ in Lakhs) | Cumulative Spend upto reporting period (₹ in Lakhs) | Amount Spent: Direct or through implementing agency*                              |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------|
| 3.     | <p><b>1. Agriculture and Farm Based</b><br/>Agriculture &amp; Horticulture training program/ Farmers group Transfer of Technology- Demonstration plots, Support for horticulture plots, Seeds Improvement Program, improved agriculture equipment and inputs, Exposure visits / agricultural mela, Integrated agricultural/ horticultural improvement, program/productivity improvement programs, soil health and organic farming.</p> <p><b>2. Animal Husbandry Based</b><br/>Treatment and vaccination, Breed improvement Productivity, Improvement programs and training.</p> | Environment & Livelihood            | <p>Ujjain (MP), Bharuch (Gujarat), Haveri (Karnataka), Rehla (Jharkhand), Sonebhadra &amp; Amethi (UP)</p> <p>Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Bharuch (Gujarat) Sonebhadra &amp; Amethi (UP)</p> | <p>30.80</p> <p>20.38</p>                                     | <p>19.36</p> <p>17.68</p>                                                                                                 | 297.25                                              | All expenses incurred directly by the Company / Trust through implementing Agency |
|        | <b>3. Non-farm &amp; Skills Based Income generation Program</b><br>Capacity Building Program- Tailoring, Beauty Parlor, Mechanical, Rural Enterprise development & Income Generation Programs, Supporting SHGs for entrepreneurial activities                                                                                                                                                                                                                                                                                                                                    |                                     | Bharuch, Surat & Gir Somnath (Gujarat), Ujjain, Bhind & Morena (MP), Haveri (Karnataka), Rehla (Jharkhand), Hoogly (WB) & Amethi (UP)                                                                                | 142.88                                                        | 129.38                                                                                                                    |                                                     |                                                                                   |
|        | <b>4. Natural Resource conservation programs &amp; Non conventional Energy:</b><br>Biogas program, Solar energy and other energy support programs - (low smoke wood stoves/sky light), Plantation / Green Belt Development / Roadside Plantation, Soil conservation / Land improvement, Water conservation and harvesting (small structures/ bigger structures), Community Pasture Land Development/ Orchard Development.                                                                                                                                                        |                                     | Ujjain (MP), Bharuch & Gir Somnath (Gujarat), Haveri (Karnataka) & Rehla (Jharkhand)                                                                                                                                 | 95.48                                                         | 97.69                                                                                                                     |                                                     |                                                                                   |
|        | <b>5. Livelihood Infrastructure &amp; Others</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                     | Ujjain (MP), Bharuch & Surat (Gujarat), Karwar (Karnathka) & Rehla (Jharkhand)                                                                                                                                       | 30.77                                                         | 33.14                                                                                                                     |                                                     |                                                                                   |

| Sr. No | CSR Projects / Activities Identified                                                                                                                                                                                                                                                             | Sector in which the project covered | Project / Programs Local Area / others. Specify the State / District where the Project Undertaken                                                  | Amount Outlay (Budget) Project or Programme wise (₹ in Lakhs) | Amount Spent on the Project/ Programmes Subheads : (1) Direct expenditure on project/ programs (2) Overheads (₹ in Lakhs) | Cumulative Spend upto reporting period (₹ in Lakhs) | Amount Spent: Direct or through implementing agency*                              |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------|
| 4      | <b>Rural Infrastructure Development other than for the purpose of Health /Education/Livelihood &amp; Others</b><br>New Roads/Culverts/Bridges/Bus Stands, Repair Roads/Culverts/ Bridges/Bus Stands / Community Halls/ Housing, Other Community assets & shelters and rural development projects | Rural Development Projects          | Gir Somnath (Gujarat), Ujjain (MP), Rehla (Jharkhand), Haveri & Karwar (Karnataka), Bhind & Morena (MP), Sonebhadra & Amethi (UP), Ganjam (Orissa) | 94.43                                                         | 106.49                                                                                                                    | 106.49                                              | All expenses incurred directly by the Company / Trust through implementing Agency |
| 5      | <b>1. Institutional building &amp; strengthening</b><br>Strengthening/ formation of community based organization (SHGs), development organizations, old age homes, orphanages                                                                                                                    | Social Empowerment                  | Bharuch & Surat (Gujarat) & Rehla (Jharkhand)                                                                                                      | 2.05                                                          | 2.69                                                                                                                      | 85.60                                               | All expenses incurred directly by the Company / Trust through implementing Agency |
|        | <b>2. Social Security &amp; support to development organization</b><br>Old age / Widow / physically Challenged Persons/ poor Insurance, Pension Scheme.                                                                                                                                          |                                     | Haveri (Karnataka), Ganjam (Orissa) & Sonebhadra (UP)                                                                                              | 7.45                                                          | 8.67                                                                                                                      |                                                     |                                                                                   |
|        | <b>3. Awareness programs</b><br>Community Awareness programmes, Campaign, social abuse, Early marriages / HIV prevention                                                                                                                                                                         |                                     | Bharuch & Surat (Gujarat), Ujjain (MP), Haveri (Karnataka) & Rehla (Jharkhand)                                                                     | 5.62                                                          | 5.79                                                                                                                      |                                                     |                                                                                   |
|        | <b>4. Social Events to minimise causes of poverty</b><br>Support to mass marriages / widow remarriages; National days celebrations with community; Support with basic amenities;                                                                                                                 |                                     | Bharuch, Surat & Gir Somnath (Gujarat), Ujjain (MP), Haveri (Karnataka), Rehla (Jharkhand), Sonebhadra & Amethi (UP)                               | 9.04                                                          | 15.42                                                                                                                     |                                                     |                                                                                   |
|        | <b>5. Promotion of Heritage/Culture / Sports</b><br>Rural cultural program, Festivals & Melas support to rural sports.                                                                                                                                                                           |                                     | Bharuch (Gujarat), Ujjain (MP), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB) & Amethi (UP)                                                      | 17.72                                                         | 37.39                                                                                                                     |                                                     |                                                                                   |

| Sr. No | CSR Projects / Activities Identified                                         | Sector in which the project covered | Project / Programs Local Area / others. Specify the State / District where the Project Undertaken       | Amount Outlay (Budget) Project or Programme wise (₹ in Lakhs) | Amount Spent on the Project/ Programmes Subheads : (1) Direct expenditure on project/ programs (2) Overheads (₹ in Lakhs) | Cumulative Spend upto reporting period (₹ in Lakhs) | Amount Spent: Direct or through implementing agency* |
|--------|------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|
|        | 6. Disaster Relief Programmes, Support to development organizations & Others |                                     | Bharuch & Surat (Gujarat), Bhind & Morena (MP), Rehla (Jharkhand), Ganjam (Orissa) & Haveri (Karnataka) | 30.24                                                         | 15.64                                                                                                                     |                                                     |                                                      |
| 6      | Grant to Education Trust (Mpower Project)                                    |                                     |                                                                                                         | 700.00                                                        | 765.50                                                                                                                    | 765.50                                              |                                                      |
| 7      | Salaries and Overheads                                                       |                                     |                                                                                                         | 120.00                                                        | 115.60                                                                                                                    | 115.60                                              |                                                      |
|        | Total (₹/- in Lakhs)                                                         |                                     |                                                                                                         | 3015.85                                                       | 2983.62                                                                                                                   | 2983.62                                             |                                                      |

\* Grasim Jan Seva Trust and Others

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

– NA –

#### Responsibility Statement

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

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

**Dilip Gaur**  
Managing Director  
(DIN: 02071393)

**Rajashree Birla**  
Chairperson, CSR Committee  
(DIN: 00022995)



# Annexure 'G' to the Board's Report

## FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

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

### I. REGISTRATION AND OTHER DETAILS:

|      |                                                                           |                                                                                                                                                                                                                                                                                                                                                               |
|------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i.   | CIN                                                                       | L17124MP1947PLC000410                                                                                                                                                                                                                                                                                                                                         |
| ii.  | Registration Date                                                         | 25th August 1947                                                                                                                                                                                                                                                                                                                                              |
| iii. | Name of the Company                                                       | Grasim Industries Limited                                                                                                                                                                                                                                                                                                                                     |
| iv.  | Category/Sub-Category of the Company                                      | Public Company limited by shares                                                                                                                                                                                                                                                                                                                              |
| v.   | Address of the Registered Office and Contact Details                      | P.O. Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.),<br>India Tel: (07366) 246760 – 255151<br>Fax: (07366) 244114/246024<br>Website: <a href="http://www.grasim.com">www.grasim.com</a> / <a href="http://www.adityabirla.com">www.adityabirla.com</a><br>E-mail: <a href="mailto:grasim.secretarial@adityabirla.com">grasim.secretarial@adityabirla.com</a> |
| vi.  | Whether Listed Company (Yes/No)                                           | Yes                                                                                                                                                                                                                                                                                                                                                           |
| vii. | Name, Address and Contact Details of Registrar and Transfer Agent, if any | Karvy Computershare Pvt. Ltd.<br>"Karvy Selenium", Tower B, Plot No. 31 & 32,<br>Gachibowli, Financial District, Nanakramguda,<br>Hyderabad - 500 032<br>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 |
|---------|------------------------------------------------|---------------------------------|---------------------|
| 1       | Viscose Staple Fibre                           | 20302                           | 53.24%              |
| 2       | Chemicals                                      | 20116                           | 31.83%              |

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

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

| 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<br>B-Wing, Ahura Centre, 2nd Floor,<br>Mahakali Caves Road, Andheri (East),<br>Mumbai – 400093 | L26940MH2000PLC128420 | Subsidiary                                    | 60.21            | 2(87)              |
| 2       | Samruddhi Swastik Trading and Investments Limited<br>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 |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------|------------------|--------------------|
| 3       | Sun God Trading and Investments Limited<br>Birlagram, Nagda, Ujjain,<br>Madhya Pradesh – 456331                                            | U67120MP1994PLC008446 | Subsidiary                                    | 100              | 2(87)              |
| 4       | Aditya Birla Chemicals (Belgium) BVBA                                                                                                      | N. A.                 | Subsidiary                                    | 99.97            | 2(87)              |
| 5       | Aditya Birla Capital Limited Indian Rayon Compound, Veraval - 362 266. Gujarat.                                                            | L67120GJ2007PLC058890 | Subsidiary                                    | 55.99            | 2(87)              |
| 6       | Aditya Birla Idea Payments Bank Limited A4, Aditya Birla Centre S.K. Ahire Marg, Worli Mumbai 400030                                       | U65923MH2016PLC273308 | Subsidiary                                    | 51               | 2(87)              |
| 7       | Aditya Birla Solar Limited A-4, Aditya Birla Centre S. K. Ahire Marg, Worli, Mumbai 400030                                                 | U40106MH2016PLC280762 | Subsidiary                                    | 50.1             | 2(87)              |
| 8       | Aditya Birla Renewables Limited A-4, Aditya Birla Centre S. K. Ahire Marg, Worli, Mumbai 400030                                            | U40300MH2015PLC267263 | Subsidiary                                    | 85.59            | 2(87)              |
| 9       | ABNL Investment Limited Indian Rayon Compound, Veraval - 362 266. Gujarat                                                                  | U67910GJ1994PLC022685 | Subsidiary                                    | 100              | 2(87)              |
| 10      | Aditya Birla Science & Technology Company Private Limited Aditya Birla Centre, C-Wing, 1st Floor, S. K. Ahire Marg, Worli, Mumbai – 400030 | U74200MH2006PTC158951 | Associate                                     | 49.50            | 2(6)               |
| 11      | Idea Cellular Limited Suman Tower, Plot No. 18, Sector-11, Gandhinagar, Gujarat – 382011                                                   | L32100GJ1996PLC030976 | Associate                                     | 23.13            | 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 2017) |          |                  |                   | No. of Shares held at the end of the Year (31st March 2018) |          |                  |                   | % of Change during the year |
|--------------------------|------------------------------------------------------------------|----------|------------------|-------------------|-------------------------------------------------------------|----------|------------------|-------------------|-----------------------------|
|                          | Demat                                                            | Physical | Total            | % of Total Shares | Demat                                                       | Physical | Total            | % of Total Shares |                             |
| <b>Promoters</b>         |                                                                  |          |                  |                   |                                                             |          |                  |                   |                             |
| <b>Indian</b>            |                                                                  |          |                  |                   |                                                             |          |                  |                   |                             |
| Individuals /HUFs        | 666860                                                           | 0        | 666860           | 0.14              | 871162                                                      | 0        | 871162           | 0.13              | 0.01                        |
| Central Govt.            | 0                                                                | 0        | 0                | 0.00              | 0                                                           | 0        | 0                | 0.00              | 0.00                        |
| Bodies Corporate         | 121316220                                                        | 0        | 121316220        | 25.99             | 238723178                                                   | 0        | 238723178        | 36.31             | -10.33                      |
| Banks/FIs                | 0                                                                | 0        | 0                | 0.00              | 0                                                           | 0        | 0                | 0.00              | 0.00                        |
| Others                   | 0                                                                | 0        | 0                | 0.00              | 0                                                           | 0        | 0                | 0.00              | 0.00                        |
| <b>Sub-Total - A(1)</b>  | <b>121983080</b>                                                 | <b>0</b> | <b>121983080</b> | <b>26.13</b>      | <b>239594340</b>                                            | <b>0</b> | <b>239594340</b> | <b>36.45</b>      | <b>-10.32</b>               |
| <b>Foreign</b>           |                                                                  |          |                  |                   |                                                             |          |                  |                   |                             |
| NRI-Individuals          | 0                                                                | 0        | 0                | 0.00              | 0                                                           | 0        | 0                | 0.00              | 0.00                        |
| Other Individuals        | 0                                                                | 0        | 0                | 0.00              | 0                                                           | 0        | 0                | 0.00              | 0.00                        |
| Bodies Corporate         | 0                                                                | 0        | 0                | 0.00              | 0                                                           | 0        | 0                | 0.00              | 0.00                        |

| Category of Shareholders                                                    | No. of Shares held at the beginning of the Year (1st April 2017) |                 |                  |                    | No. of Shares held at the end of the Year (31st March 2018) |                 |                  |                   | % of Change during the year |
|-----------------------------------------------------------------------------|------------------------------------------------------------------|-----------------|------------------|--------------------|-------------------------------------------------------------|-----------------|------------------|-------------------|-----------------------------|
|                                                                             | Demat                                                            | Physical        | Total            | % of Total Shares  | Demat                                                       | Physical        | Total            | % of Total Shares |                             |
| Banks/FIIs                                                                  | 0                                                                | 0               | 0                | 0.00               | 0                                                           | 0               | 0                | 0.00              | 0.00                        |
| Others                                                                      | 0                                                                | 0               | 0                | 0.00               | 0                                                           | 0               | 0                | 0.00              | 0.00                        |
| <b>Sub-Total-A(2) :</b>                                                     | <b>0</b>                                                         | <b>0</b>        | <b>0</b>         | <b>0.00</b>        | <b>0</b>                                                    | <b>0</b>        | <b>0</b>         | <b>0.00</b>       | <b>0.00</b>                 |
| <b>Total Shareholding Promoters (A) = A(1) + A(2)</b>                       | <b>121983080</b>                                                 | <b>0</b>        | <b>121983080</b> | <b>26.13</b>       | <b>239594340</b>                                            | <b>0</b>        | <b>239594340</b> | <b>36.45</b>      | <b>-10.32</b>               |
| <b>Public Shareholding Institutions</b>                                     |                                                                  |                 |                  |                    |                                                             |                 |                  |                   |                             |
| Mutual Funds                                                                | 25409078                                                         | 41490           | 25450568         | 5.45               | 34145866                                                    | 39594           | 34185460         | 5.20              | 0.25                        |
| Banks/FIIs                                                                  | 1278967                                                          | 114310          | 1393277          | 0.30               | 1096853                                                     | 58085           | 1154938          | 0.18              | 0.12                        |
| Central Govt.                                                               | 0                                                                | 0               | 0                | 0.00               | 1                                                           | 0               | 1                | 0.00              | 0.00                        |
| State Govt.(s)                                                              | 0                                                                | 0               | 0                | 0                  | 7905                                                        | 0               | 7905             | 0.00              | 0.00                        |
| Venture Capital Funds                                                       | 0                                                                | 0               | 0                | 0.00               | 0                                                           | 0               | 0                | 0.00              | 0.00                        |
| Insurance Companies                                                         | 35361741                                                         | 17930           | 35379671         | 7.58               | 47519119                                                    | 18452           | 47537571         | 7.23              | 0.35                        |
| FIs                                                                         | 145773064                                                        | 7955            | 145781019        | 31.23              | 180291940                                                   | 11830           | 180303770        | 27.43             | 3.80                        |
| Foreign Venture Capital Funds                                               | 0                                                                | 0               | 0                | 0.00               | 0                                                           | 0               | 0                | 0.00              | 0.00                        |
| Others (specify)                                                            | 0                                                                | 0               | 0                | 0.00               | 0                                                           | 0               | 0                | 0.00              | 0.00                        |
| <b>Sub-Total - B(1)</b>                                                     | <b>207822850</b>                                                 | <b>181685</b>   | <b>208004535</b> | <b>44.55612687</b> | <b>263061684</b>                                            | <b>127961</b>   | <b>263189645</b> | <b>40.04</b>      | <b>4.52</b>                 |
| <b>Non-Institutions</b>                                                     |                                                                  |                 |                  |                    |                                                             |                 |                  |                   |                             |
| Bodies Corporate                                                            | 28884878                                                         | 295980          | 29180858         | 6.25               | 28356805                                                    | 404189          | 28760994         | 4.38              | 1.88                        |
| Individuals                                                                 |                                                                  |                 |                  |                    |                                                             |                 |                  |                   |                             |
| Individuals Shareholders holding nominal share capital upto ₹ 1 lakh        | 33252972                                                         | 7377731         | 40630703         | 8.70               | 50723888                                                    | 7569179         | 58293067         | 8.87              | -0.16                       |
| Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 2530430                                                          | 0               | 2530430          | 0.54               | 2545639                                                     | 0               | 2545639          | 0.39              | 0.15                        |
| Others(specify)                                                             |                                                                  |                 |                  |                    |                                                             |                 |                  |                   |                             |
| Foreign Nationals                                                           | 3346                                                             | 0               | 3346             | 0.00               | 23019                                                       | 0               | 23019            | 0.00              | 0.00                        |
| I E P F                                                                     | 0                                                                | 0               | 0                | 0.00               | 2170761                                                     | 0               | 2170761          | 0.33              | -0.33                       |
| NRIs (Rep.)                                                                 | 1211674                                                          | 1062500         | 2274174          | 0.49               | 1707014                                                     | 1295224         | 3002238          | 0.46              | 0.03                        |
| NRIs (Non-Rep.)                                                             | 582442                                                           | 0               | 582442           | 0.12               | 1279508                                                     | 0               | 1279508          | 0.19              | -0.07                       |
| OCB                                                                         | 0                                                                | 13113065        | 13113065         | 2.81               | 0                                                           | 13115226        | 13115226         | 2.00              | 0.81                        |
| <b>Sub-Total- B(2)</b>                                                      | <b>66465742</b>                                                  | <b>21849276</b> | <b>88315018</b>  | <b>18.92</b>       | <b>86806634</b>                                             | <b>22383818</b> | <b>109190452</b> | <b>16.61</b>      | <b>2.31</b>                 |
| <b>Total Public Shareholding B = B(1) + B(2)</b>                            | <b>274288592</b>                                                 | <b>22030961</b> | <b>296319553</b> | <b>63.47</b>       | <b>349868318</b>                                            | <b>22511779</b> | <b>372380097</b> | <b>56.65</b>      | <b>6.83</b>                 |
| <b>Total (A+B)</b>                                                          | <b>396271672</b>                                                 | <b>22030961</b> | <b>418302633</b> | <b>89.60</b>       | <b>589462658</b>                                            | <b>22511779</b> | <b>611974437</b> | <b>93.09</b>      | <b>-3.49</b>                |
| <b>Shares held by Custodians for GDRs and ADRs</b>                          |                                                                  |                 |                  |                    |                                                             |                 |                  |                   |                             |
| Promoters and Promoter Group                                                | 24011520                                                         | 0               | 24011520         | 5.14               | 24011520                                                    | 0               | 24011520         | 3.65              | -1.49                       |
| Public                                                                      | 24522207                                                         | 750             | 24522957         | 5.25               | 21384728                                                    | 750             | 21385478         | 3.25              | -2.00                       |
| <b>Total (C)</b>                                                            | <b>48533727</b>                                                  | <b>750</b>      | <b>48534477</b>  | <b>10.40</b>       | <b>45396248</b>                                             | <b>750</b>      | <b>45396998</b>  | <b>6.91</b>       | <b>3.49</b>                 |
| <b>GRAND TOTAL (A+B+C)</b>                                                  | <b>444805399</b>                                                 | <b>22031711</b> | <b>466837110</b> | <b>100.00</b>      | <b>634858906</b>                                            | <b>22512529</b> | <b>657371435</b> | <b>100.00</b>     |                             |

## ii. Shareholding of Promoters:

| Sl. No. | Shareholder's Name                                | Shareholding at the beginning of the Year No. of Shares | % of Total Shares of the Company | % of Shares Pledged/ Encumbered to Total Shares | Shareholding at the end of the year No. of Shares | % of Total Shares of the Company | % of Shares Pledged/ Encumbered to Total Shares | Change in Shareholding during the year No. of Shares | % of Total Shares of the Company |
|---------|---------------------------------------------------|---------------------------------------------------------|----------------------------------|-------------------------------------------------|---------------------------------------------------|----------------------------------|-------------------------------------------------|------------------------------------------------------|----------------------------------|
| 1       | Kumar Mangalam Birla                              | 30080                                                   | 0.01                             |                                                 | 36993                                             | 0.01                             |                                                 | 6913                                                 | 0.00                             |
| 2       | Aditya Vikram Kumarmangalam Birla HUF.            | 89495                                                   | 0.02                             |                                                 | 89720                                             | 0.01                             |                                                 | 225                                                  | 0.00                             |
| 3       | Rajashree Birla                                   | 361400                                                  | 0.08                             |                                                 | 552850                                            | 0.08                             |                                                 | 191450                                               | 0.03                             |
| 4       | Vasavadatta Bajaj                                 | 115785                                                  | 0.02                             |                                                 | 118537                                            | 0.02                             |                                                 | 2752                                                 | 0.00                             |
| 5       | Neerja Birla                                      | 70100                                                   | 0.02                             |                                                 | 73062                                             | 0.01                             |                                                 | 2962                                                 | 0.00                             |
| 6       | Turquoise Investment And Finance Private Limited  | 29541705                                                | 6.33                             |                                                 | 42119836                                          | 6.41                             |                                                 | 12578131                                             | 1.91                             |
| 7       | Trapti Trading And Investments Private Limited    | 27389315                                                | 5.87                             |                                                 | 41525217                                          | 6.32                             |                                                 | 14135902                                             | 2.15                             |
| 8       | Pilani Investment And Industries Corporation Ltd. | 22343465                                                | 4.79                             |                                                 | 22624112                                          | 3.44                             |                                                 | 280647                                               | 0.04                             |
| 9       | Hindalco Industries Limited                       | 15246850                                                | 3.27                             |                                                 | 28222468                                          | 4.29                             |                                                 | 12975618                                             | 1.97                             |
| 10      | TGS Investment & Trade Private Limited            | 13875520                                                | 2.97                             |                                                 | 35882075                                          | 5.46                             |                                                 | 22006555                                             | 3.35                             |
| 11      | Umang Commercial Company Private Limited          | 8004115                                                 | 1.71                             |                                                 | 26746262                                          | 4.07                             |                                                 | 18742147                                             | 2.85                             |
| 12      | IGH Holdings Private Limited                      | 2663140                                                 | 0.57                             |                                                 | 33491293                                          | 5.09                             |                                                 | 30828153                                             | 4.69                             |
| 13      | Manav Investment And Trading Co. Ltd.             | 1026535                                                 | 0.22                             | 0.85                                            | 1198547                                           | 0.18                             | 0.45                                            | 172012                                               | 0.03                             |
| 14      | Birla Institute Of Technology And Science         | 661205                                                  | 0.14                             |                                                 | 661205                                            | 0.10                             |                                                 | 0                                                    | 0.00                             |
| 15      | Renuka Investments & Finance Limited              | 242185                                                  | 0.05                             |                                                 | 242185                                            | 0.04                             |                                                 | 0                                                    | 0.00                             |
| 16      | ECE Industries Ltd.                               | 158350                                                  | 0.03                             |                                                 | 337094                                            | 0.05                             |                                                 | 178744                                               | 0.03                             |
| 17      | Birla Group Holdings Private Limited              | 61820                                                   | 0.01                             |                                                 | 5477270                                           | 0.83                             |                                                 | 5415450                                              | 0.82                             |
| 18      | Birla Industrial Finance (India) Limited          | 45800                                                   | 0.01                             |                                                 | 87485                                             | 0.01                             |                                                 | 41685                                                | 0.01                             |
| 19      | Birla Consultants Limited                         | 44400                                                   | 0.01                             |                                                 | 87382                                             | 0.01                             |                                                 | 42982                                                | 0.01                             |
| 20      | Birla Industrial Investments (India) Limited      | 9725                                                    | 0.00                             |                                                 | 18657                                             | 0.00                             |                                                 | 8932                                                 | 0.00                             |
| 21      | Vikram Holdings Pvt Ltd                           | 750                                                     | 0.00                             |                                                 | 750                                               | 0.00                             |                                                 | 0                                                    | 0.00                             |
| 22      | Vaibhav Holdings Private Limited                  | 670                                                     | 0.00                             |                                                 | 670                                               | 0.00                             |                                                 | 0                                                    | 0.00                             |
| 23      | Rajratna Holdings Private Limited                 | 670                                                     | 0.00                             |                                                 | 670                                               | 0.00                             |                                                 | 0                                                    | 0.00                             |

## 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       | Kumar Mangalam Birla         |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 30080                                     | 0.01                             | 30080                                   | 0.00                             |
|         | Increase on 14.07.2017       | 6913                                      | 0.00                             | 36993                                   | 0.01                             |
|         | At the end of the Year       | 36993                                     | 0.01                             | 36993                                   | 0.01                             |



| 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 |
|         | <b>Aditya Vikram Kumarmangalam Birla HUF .</b>           |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 89495                                     | 0.02                             | 89495                                   | 0.01                             |
|         | Increase on 14.07.2017                                   | 225                                       | 0.00                             | 89720                                   | 0.01                             |
|         | At the end of the Year                                   | 89720                                     | 0.02                             | 89720                                   | 0.01                             |
|         | <b>RAJASHREE BIRLA</b>                                   |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 361400                                    | 0.08                             | 361400                                  | 0.05                             |
|         | Increase on 14.07.2017                                   | 191450                                    | 0.04                             | 552850                                  | 0.08                             |
|         | At the end of the Year                                   | 552850                                    | 0.12                             | 552850                                  | 0.08                             |
|         | <b>Vasavadatta Bajaj</b>                                 |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 115785                                    | 0.02                             | 115785                                  | 0.02                             |
|         | Increase on 14.07.2017                                   | 2752                                      | 0.00                             | 118537                                  | 0.02                             |
|         | At the end of the Year                                   | 118537                                    | 0.03                             | 118537                                  | 0.02                             |
|         | <b>Neerja Birla</b>                                      |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 70100                                     | 0.02                             | 70100                                   | 0.01                             |
|         | Increase on 14.07.2017                                   | 2962                                      | 0.00                             | 73062                                   | 0.01                             |
|         | At the end of the Year                                   | 73062                                     | 0.02                             | 73062                                   | 0.01                             |
|         | <b>Turquoise Investment and Finance Private Limited</b>  |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 29541705                                  | 6.33                             | 29541705                                | 4.49                             |
|         | Increase on 14.07.2017                                   | 12578131                                  | 2.69                             | 42119836                                | 6.41                             |
|         | At the end of the Year                                   | 42119836                                  | 9.02                             | 42119836                                | 6.41                             |
|         | <b>Trapti Trading and Investments Private Limited</b>    |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 27389315                                  | 5.87                             | 27389315                                | 4.17                             |
|         | Increase on 14.07.2017                                   | 14135902                                  | 3.03                             | 41525217                                | 6.32                             |
|         | At the end of the Year                                   | 41525217                                  | 8.90                             | 41525217                                | 6.32                             |
|         | <b>Pilani Investment and Industries Corporation Ltd.</b> |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 22343465                                  | 4.79                             | 22343465                                | 3.40                             |
|         | Increase on 14.07.2017                                   | 280647                                    | 0.06                             | 22624112                                | 3.44                             |
|         | At the end of the Year                                   | 22624112                                  | 4.85                             | 22624112                                | 3.44                             |
|         | <b>Hindalco Industries Limited</b>                       |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 15246850                                  | 3.27                             | 15246850                                | 2.32                             |
|         | Increase on 14.07.2017                                   | 12975618                                  | 2.78                             | 28222468                                | 4.29                             |
|         | At the end of the Year                                   | 28222468                                  | 6.05                             | 28222468                                | 4.29                             |
|         | <b>TGS Investment &amp; Trade Private Limited</b>        |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 13875520                                  | 2.97                             | 13875520                                | 2.11                             |
|         | Increase on 14.07.2017                                   | 22006555                                  | 4.71                             | 35882075                                | 5.46                             |
|         | At the end of the Year                                   | 35882075                                  | 7.69                             | 35882075                                | 5.46                             |
|         | <b>Umang Commercial Company Private Limited</b>          |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                             | 8004115                                   | 1.71                             | 8004115                                 | 1.22                             |
|         | Increase on 14.07.2017                                   | 18742147                                  | 4.01                             | 26746262                                | 4.07                             |
|         | At the end of the Year                                   | 26746262                                  | 5.73                             | 26746262                                | 4.07                             |

| 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 |
|         | <b>IGH Holdings Private Limited</b>                 |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                        | 2663140                                   | 0.57                             | 2663140                                 | 0.41                             |
|         | Increase on 14.07.2017                              | 30828153                                  | 6.60                             | 33491293                                | 5.09                             |
|         | At the end of the Year                              | 33491293                                  | 7.17                             | 33491293                                | 5.09                             |
|         | <b>Manav Investment and Trading Co. Ltd.</b>        |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                        | 1026535                                   | 0.22                             | 1026535                                 | 0.16                             |
|         | Increase on 14.07.2017                              | 172012                                    | 0.04                             | 1198547                                 | 0.18                             |
|         | At the end of the Year                              | 1198547                                   | 0.26                             | 1198547                                 | 0.18                             |
|         | <b>ECE Industries Ltd.</b>                          |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                        | 158350                                    | 0.03                             | 158350                                  | 0.02                             |
|         | Increase on 14.07.2017                              | 178744                                    | 0.04                             | 337094                                  | 0.05                             |
|         | At the end of the Year                              | 337094                                    | 0.07                             | 337094                                  | 0.05                             |
|         | <b>Birla Group Holdings Private Limited</b>         |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                        | 61820                                     | 0.01                             | 61820                                   | 0.01                             |
|         | Increase on 14.07.2017                              | 5415450                                   | 1.16                             | 5477270                                 | 0.83                             |
|         | At the end of the Year                              | 5477270                                   | 1.17                             | 5477270                                 | 0.83                             |
|         | <b>Birla Industrial Finance (India) Limited</b>     |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                        | 45800                                     | 0.01                             | 45800                                   | 0.01                             |
|         | Increase on 14.07.2017                              | 41685                                     | 0.01                             | 87485                                   | 0.01                             |
|         | At the end of the Year                              | 87485                                     | 0.02                             | 87485                                   | 0.01                             |
|         | <b>Birla Consultants Limited</b>                    |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                        | 44400                                     | 0.01                             | 44400                                   | 0.01                             |
|         | Increase on 14.07.2017                              | 42982                                     | 0.01                             | 87382                                   | 0.01                             |
|         | At the end of the Year                              | 87382                                     | 0.02                             | 87382                                   | 0.01                             |
|         | <b>Birla Industrial Investments (India) Limited</b> |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                        | 9725                                      | 0.00                             | 9725                                    | 0.00                             |
|         | Increase on 14.07.2017                              | 8932                                      | 0.00                             | 18657                                   | 0.00                             |
|         | At the end of the Year                              | 18657                                     | 0.00                             | 18657                                   | 0.00                             |

**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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                                           | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
| 1       | LIFE INSURANCE CORPORATION OF INDIA   | 28964609                                    | 6.20                             | 31/03/2017          |                                                    | Opening Balance                           | 28964609                                | 6.20                             |
|         |                                       |                                             |                                  | 14/07/2017          | 9220330                                            | Allotment of Shares due to Merger of ABNL | 38184939                                | 5.81                             |
|         |                                       |                                             |                                  | 12/01/2018          | 2000                                               | Purchase                                  | 38186939                                | 5.81                             |
|         |                                       |                                             |                                  | 12/01/2018          | -2000                                              | Sale                                      | 38184939                                | 5.81                             |
|         |                                       |                                             |                                  | 26/01/2018          | 6000                                               | Purchase                                  | 38190939                                | 5.81                             |
|         |                                       |                                             |                                  | 26/01/2018          | -6000                                              | Sale                                      | 38184939                                | 5.81                             |
|         |                                       |                                             |                                  | 09/02/2018          | 2000                                               | Purchase                                  | 38186939                                | 5.81                             |
|         |                                       |                                             |                                  | 23/02/2018          | -5000                                              | Sale                                      | 38181939                                | 5.81                             |
|         |                                       |                                             |                                  | 30/03/2018          | 2000                                               | Purchase                                  | 38183939                                | 5.81                             |
|         |                                       |                                             |                                  | 30/03/2018          | -2000                                              | Sale                                      | 38181939                                | 5.81                             |
|         |                                       |                                             |                                  | 31/03/2018          |                                                    | Closing Balance                           | 38190901                                | 5.81                             |
| 2       | EUROPACIFIC GROWTH FUND               | 19703301                                    | 4.22                             | 31/03/2017          |                                                    | Opening Balance                           | 19703301                                | 4.22                             |
|         |                                       |                                             |                                  | 07/04/2017          | -792163                                            | Sale                                      | 18911138                                | 4.05                             |
|         |                                       |                                             |                                  | 14/04/2017          | -962000                                            | Sale                                      | 17949138                                | 3.84                             |
|         |                                       |                                             |                                  | 21/04/2017          | -676133                                            | Sale                                      | 17273005                                | 3.70                             |
|         |                                       |                                             |                                  | 09/03/2018          | -180864                                            | Sale                                      | 17092141                                | 2.60                             |
|         |                                       |                                             |                                  | 16/03/2018          | -997623                                            | Sale                                      | 16094518                                | 2.45                             |
|         |                                       |                                             |                                  | 23/03/2018          | -263441                                            | Sale                                      | 15831077                                | 2.41                             |
|         |                                       |                                             |                                  | 31/03/2018          |                                                    | Closing Balance                           | 15831077                                | 2.41                             |
|         |                                       |                                             |                                  | 31/03/2017          |                                                    | Opening Balance                           | 14897065                                | 3.19                             |
|         |                                       |                                             |                                  | 07/04/2017          | -650000                                            | Sale                                      | 14247065                                | 3.05                             |
| 3       | ABERDEEN GLOBAL INDIAN EQUITY LIMITED | 14897065                                    | 3.19                             | 31/03/2017          |                                                    | Opening Balance                           | 14897065                                | 3.19                             |
|         |                                       |                                             |                                  | 07/04/2017          | -650000                                            | Sale                                      | 14247065                                | 3.05                             |
|         |                                       |                                             |                                  | 14/04/2017          | -345420                                            | Sale                                      | 13901645                                | 2.98                             |
|         |                                       |                                             |                                  | 21/04/2017          | -254580                                            | Sale                                      | 13647065                                | 2.92                             |
|         |                                       |                                             |                                  | 12/05/2017          | -473662                                            | Sale                                      | 13173403                                | 2.82                             |
|         |                                       |                                             |                                  | 19/05/2017          | -796338                                            | Sale                                      | 12377065                                | 2.65                             |
|         |                                       |                                             |                                  | 26/05/2017          | -1350000                                           | Sale                                      | 11027065                                | 2.36                             |
|         |                                       |                                             |                                  | 09/06/2017          | -703018                                            | Sale                                      | 10324047                                | 2.21                             |
|         |                                       |                                             |                                  | 16/06/2017          | -1710343                                           | Sale                                      | 8613704                                 | 1.85                             |
|         |                                       |                                             |                                  | 23/06/2017          | -1611451                                           | Sale                                      | 7002253                                 | 1.50                             |
|         |                                       |                                             |                                  | 30/06/2017          | -206249                                            | Sale                                      | 6796004                                 | 1.46                             |
|         |                                       |                                             |                                  | 10/11/2017          | -498040                                            | Sale                                      | 6297964                                 | 0.96                             |

| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                 | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
|         |                                             |                                             |                                  | 17/11/2017          | -364197                                            | Sale            | 5933767                                 | 0.90                             |
|         |                                             |                                             |                                  | 24/11/2017          | -182763                                            | Sale            | 5751004                                 | 0.87                             |
|         |                                             |                                             |                                  | 22/12/2017          | -150000                                            | Sale            | 5601004                                 | 0.85                             |
|         |                                             |                                             |                                  | 12/01/2018          | -37000                                             | Sale            | 5564004                                 | 0.85                             |
|         |                                             |                                             |                                  | 19/01/2018          | -620000                                            | Sale            | 4944004                                 | 0.75                             |
|         |                                             |                                             |                                  | 23/03/2018          | -270000                                            | Sale            | 4674004                                 | 0.71                             |
|         |                                             |                                             |                                  | 31/03/2018          |                                                    | Closing Balance | 4674004                                 | 0.71                             |
| 4       | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD | 9047374                                     | 1.94                             | 31/03/2017          |                                                    | Opening Balance | 9047374                                 | 1.94                             |
|         |                                             |                                             |                                  | 07/04/2017          | -16042                                             | Sale            | 9031332                                 | 1.93                             |
|         |                                             |                                             |                                  | 14/04/2017          | -44170                                             | Sale            | 8987162                                 | 1.93                             |
|         |                                             |                                             |                                  | 21/04/2017          | -97137                                             | Sale            | 8890025                                 | 1.90                             |
|         |                                             |                                             |                                  | 28/04/2017          | 9116                                               | Purchase        | 8899141                                 | 1.91                             |
|         |                                             |                                             |                                  | 05/05/2017          | -137116                                            | Sale            | 8762025                                 | 1.88                             |
|         |                                             |                                             |                                  | 12/05/2017          | -3926                                              | Sale            | 8758099                                 | 1.88                             |
|         |                                             |                                             |                                  | 19/05/2017          | -10091                                             | Sale            | 8748008                                 | 1.87                             |
|         |                                             |                                             |                                  | 26/05/2017          | -427064                                            | Sale            | 8320944                                 | 1.78                             |
|         |                                             |                                             |                                  | 02/06/2017          | 120                                                | Purchase        | 8321064                                 | 1.78                             |
|         |                                             |                                             |                                  | 09/06/2017          | 25559                                              | Purchase        | 8346623                                 | 1.79                             |
|         |                                             |                                             |                                  | 16/06/2017          | -5248                                              | Sale            | 8341375                                 | 1.79                             |
|         |                                             |                                             |                                  | 23/06/2017          | -29847                                             | Sale            | 8311528                                 | 1.78                             |
|         |                                             |                                             |                                  | 30/06/2017          | -26448                                             | Sale            | 8285080                                 | 1.77                             |
|         |                                             |                                             |                                  | 07/07/2017          | -529347                                            | Sale            | 7755733                                 | 1.66                             |
|         |                                             |                                             |                                  | 14/07/2017          | -101602                                            | Sale            | 7654131                                 | 1.16                             |
|         |                                             |                                             |                                  | 21/07/2017          | -156362                                            | Sale            | 7497769                                 | 1.14                             |
|         |                                             |                                             |                                  | 28/07/2017          | 1425                                               | Purchase        | 7499194                                 | 1.14                             |
|         |                                             |                                             |                                  | 04/08/2017          | -13537                                             | Sale            | 7485657                                 | 1.14                             |
|         |                                             |                                             |                                  | 11/08/2017          | -51432                                             | Sale            | 7434225                                 | 1.13                             |
|         |                                             |                                             |                                  | 18/08/2017          | 2885                                               | Purchase        | 7437110                                 | 1.13                             |
|         |                                             |                                             |                                  | 25/08/2017          | -196523                                            | Sale            | 7240587                                 | 1.10                             |
|         |                                             |                                             |                                  | 01/09/2017          | 357961                                             | Purchase        | 7598548                                 | 1.16                             |
|         |                                             |                                             |                                  | 01/09/2017          | -438589                                            | Sale            | 7159959                                 | 1.09                             |
|         |                                             |                                             |                                  | 08/09/2017          | -91376                                             | Sale            | 7068583                                 | 1.08                             |
|         |                                             |                                             |                                  | 15/09/2017          | 39649                                              | Purchase        | 7108232                                 | 1.08                             |
|         |                                             |                                             |                                  | 15/09/2017          | -100000                                            | Sale            | 7008232                                 | 1.07                             |
|         |                                             |                                             |                                  | 22/09/2017          | -334116                                            | Sale            | 6674116                                 | 1.02                             |
|         |                                             |                                             |                                  | 29/09/2017          | -77552                                             | Sale            | 6596564                                 | 1.00                             |
|         |                                             |                                             |                                  | 06/10/2017          | 134350                                             | Purchase        | 6730914                                 | 1.02                             |
|         |                                             |                                             |                                  | 13/10/2017          | -754                                               | Sale            | 6730160                                 | 1.02                             |



| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                 | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
| 5       | ABERDEEN EMERGING MARKETS FUND | 8825060                                     | 1.89                             | 20/10/2017          | 343                                                | Purchase        | 6730503                                 | 1.02                             |
|         |                                |                                             |                                  | 27/10/2017          | 1329                                               | Purchase        | 6731832                                 | 1.02                             |
|         |                                |                                             |                                  | 31/10/2017          | 2043                                               | Purchase        | 6733875                                 | 1.02                             |
|         |                                |                                             |                                  | 03/11/2017          | 600                                                | Purchase        | 6734475                                 | 1.02                             |
|         |                                |                                             |                                  | 10/11/2017          | 1127                                               | Purchase        | 6735602                                 | 1.02                             |
|         |                                |                                             |                                  | 17/11/2017          | 1783                                               | Purchase        | 6737385                                 | 1.02                             |
|         |                                |                                             |                                  | 24/11/2017          | -18342                                             | Sale            | 6719043                                 | 1.02                             |
|         |                                |                                             |                                  | 01/12/2017          | -45869                                             | Sale            | 6673174                                 | 1.02                             |
|         |                                |                                             |                                  | 08/12/2017          | 963                                                | Purchase        | 6674137                                 | 1.02                             |
|         |                                |                                             |                                  | 15/12/2017          | 2169                                               | Purchase        | 6676306                                 | 1.02                             |
|         |                                |                                             |                                  | 22/12/2017          | -47596                                             | Sale            | 6628710                                 | 1.01                             |
|         |                                |                                             |                                  | 29/12/2017          | -17180                                             | Sale            | 6611530                                 | 1.01                             |
|         |                                |                                             |                                  | 05/01/2018          | -76340                                             | Sale            | 6535190                                 | 0.99                             |
|         |                                |                                             |                                  | 12/01/2018          | -607                                               | Sale            | 6534583                                 | 0.99                             |
|         |                                |                                             |                                  | 19/01/2018          | -89107                                             | Sale            | 6445476                                 | 0.98                             |
|         |                                |                                             |                                  | 26/01/2018          | -51754                                             | Sale            | 6393722                                 | 0.97                             |
|         |                                |                                             |                                  | 02/02/2018          | 1878                                               | Purchase        | 6395600                                 | 0.97                             |
|         |                                |                                             |                                  | 09/02/2018          | -201028                                            | Sale            | 6194572                                 | 0.94                             |
|         |                                |                                             |                                  | 16/02/2018          | 618                                                | Purchase        | 6195190                                 | 0.94                             |
|         |                                |                                             |                                  | 23/02/2018          | 13826                                              | Purchase        | 6209016                                 | 0.94                             |
|         |                                |                                             |                                  | 23/02/2018          | -11800                                             | Sale            | 6197216                                 | 0.94                             |
|         |                                |                                             |                                  | 02/03/2018          | 5201                                               | Purchase        | 6202417                                 | 0.94                             |
|         |                                |                                             |                                  | 02/03/2018          | -5204                                              | Sale            | 6197213                                 | 0.94                             |
|         |                                |                                             |                                  | 09/03/2018          | 3526                                               | Purchase        | 6200739                                 | 0.94                             |
|         |                                |                                             |                                  | 16/03/2018          | 1069                                               | Purchase        | 6201808                                 | 0.94                             |
|         |                                |                                             |                                  | 23/03/2018          | 2995                                               | Purchase        | 6204803                                 | 0.94                             |
|         |                                |                                             |                                  | 30/03/2018          | -49798                                             | Sale            | 6155005                                 | 0.94                             |
|         |                                |                                             |                                  | 31/03/2018          |                                                    | Closing Balance | 6155005                                 | 0.94                             |
|         |                                |                                             |                                  | 31/03/2017          |                                                    | Opening Balance | 8825060                                 | 1.89                             |
|         |                                |                                             |                                  | 14/07/2017          | -748922                                            | Sale            | 8076138                                 | 1.23                             |
|         |                                |                                             |                                  | 21/07/2017          | -251078                                            | Sale            | 7825060                                 | 1.19                             |
|         |                                |                                             |                                  | 27/10/2017          | -97943                                             | Sale            | 7727117                                 | 1.18                             |
|         |                                |                                             |                                  | 31/10/2017          | -212601                                            | Sale            | 7514516                                 | 1.14                             |
|         |                                |                                             |                                  | 03/11/2017          | -518456                                            | Sale            | 6996060                                 | 1.06                             |
|         |                                |                                             |                                  | 10/11/2017          | -437987                                            | Sale            | 6558073                                 | 1.00                             |
|         |                                |                                             |                                  | 17/11/2017          | -186277                                            | Sale            | 6371796                                 | 0.97                             |
|         |                                |                                             |                                  | 01/12/2017          | -24613                                             | Sale            | 6347183                                 | 0.97                             |
|         |                                |                                             |                                  | 31/03/2018          |                                                    | Closing Balance | 6347183                                 | 0.97                             |

| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                                           | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
| 6       | NEW WORLD FUND INC                             | 7950735                                     | 1.70                             | 31/03/2017          |                                                    | Opening Balance                           | 7950735                                 | 1.70                             |
|         |                                                |                                             |                                  | 12/05/2017          | -617125                                            | Sale                                      | 7333610                                 | 1.57                             |
|         |                                                |                                             |                                  | 19/05/2017          | -408925                                            | Sale                                      | 6924685                                 | 1.48                             |
|         |                                                |                                             |                                  | 02/06/2017          | -95363                                             | Sale                                      | 6829322                                 | 1.46                             |
|         |                                                |                                             |                                  | 09/06/2017          | -230268                                            | Sale                                      | 6599054                                 | 1.41                             |
|         |                                                |                                             |                                  | 16/06/2017          | -128319                                            | Sale                                      | 6470735                                 | 1.39                             |
|         |                                                |                                             |                                  | 07/07/2017          | -179605                                            | Sale                                      | 6291130                                 | 1.35                             |
|         |                                                |                                             |                                  | 14/07/2017          | -1238279                                           | Sale                                      | 5052851                                 | 0.77                             |
|         |                                                |                                             |                                  | 21/07/2017          | -137116                                            | Sale                                      | 4915735                                 | 0.75                             |
|         |                                                |                                             |                                  | 09/03/2018          | -51561                                             | Sale                                      | 4864174                                 | 0.74                             |
|         |                                                |                                             |                                  | 16/03/2018          | -284376                                            | Sale                                      | 4579798                                 | 0.70                             |
|         |                                                |                                             |                                  | 23/03/2018          | -75074                                             | Sale                                      | 4504724                                 | 0.69                             |
|         |                                                |                                             |                                  | 31/03/2018          |                                                    | Closing Balance                           | 4504724                                 | 0.69                             |
| 7       | BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED | 7503908                                     | 1.61                             | 31/03/2017          |                                                    | Opening Balance                           | 7503908                                 | 1.61                             |
|         |                                                |                                             |                                  | 07/04/2017          | 85250                                              | Purchase                                  | 7589158                                 | 1.63                             |
|         |                                                |                                             |                                  | 07/04/2017          | -211                                               | Sale                                      | 7588947                                 | 1.63                             |
|         |                                                |                                             |                                  | 14/04/2017          | -166500                                            | Sale                                      | 7422447                                 | 1.59                             |
|         |                                                |                                             |                                  | 21/04/2017          | -21750                                             | Sale                                      | 7400697                                 | 1.59                             |
|         |                                                |                                             |                                  | 28/04/2017          | 81000                                              | Purchase                                  | 7481697                                 | 1.60                             |
|         |                                                |                                             |                                  | 28/04/2017          | -12619                                             | Sale                                      | 7469078                                 | 1.60                             |
|         |                                                |                                             |                                  | 12/05/2017          | 25000                                              | Purchase                                  | 7494078                                 | 1.61                             |
|         |                                                |                                             |                                  | 12/05/2017          | -60000                                             | Sale                                      | 7434078                                 | 1.59                             |
|         |                                                |                                             |                                  | 26/05/2017          | 21000                                              | Purchase                                  | 7455078                                 | 1.60                             |
|         |                                                |                                             |                                  | 26/05/2017          | -16206                                             | Sale                                      | 7438872                                 | 1.59                             |
|         |                                                |                                             |                                  | 02/06/2017          | 18000                                              | Purchase                                  | 7456872                                 | 1.60                             |
|         |                                                |                                             |                                  | 02/06/2017          | -41054                                             | Sale                                      | 7415818                                 | 1.59                             |
|         |                                                |                                             |                                  | 09/06/2017          | -57000                                             | Sale                                      | 7358818                                 | 1.58                             |
|         |                                                |                                             |                                  | 16/06/2017          | 200000                                             | Purchase                                  | 7558818                                 | 1.62                             |
|         |                                                |                                             |                                  | 30/06/2017          | -47300                                             | Sale                                      | 7511518                                 | 1.61                             |
|         |                                                |                                             |                                  | 07/07/2017          | -567000                                            | Sale                                      | 6944518                                 | 1.49                             |
|         |                                                |                                             |                                  | 14/07/2017          | 279600                                             | Allotment of Shares due to Merger of ABNL | 7224118                                 | 1.10                             |
|         |                                                |                                             |                                  | 21/07/2017          | -1640350                                           | Sale                                      | 5583768                                 | 0.85                             |
|         |                                                |                                             |                                  | 28/07/2017          | 63750                                              | Purchase                                  | 5647518                                 | 0.86                             |
|         |                                                |                                             |                                  | 28/07/2017          | -468000                                            | Sale                                      | 5179518                                 | 0.79                             |
|         |                                                |                                             |                                  | 04/08/2017          | 30000                                              | Purchase                                  | 5209518                                 | 0.79                             |

| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                 | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
| 8       | ABU DHABI INVESTMENT AUTHORITY |                                             |                                  | 04/08/2017          | -15514                                             | Sale            | 5194004                                 | 0.79                             |
|         |                                |                                             |                                  | 11/08/2017          | -255250                                            | Sale            | 4938754                                 | 0.75                             |
|         |                                |                                             |                                  | 25/08/2017          | -98292                                             | Sale            | 4840462                                 | 0.74                             |
|         |                                |                                             |                                  | 01/09/2017          | 75750                                              | Purchase        | 4916212                                 | 0.75                             |
|         |                                |                                             |                                  | 01/09/2017          | -80000                                             | Sale            | 4836212                                 | 0.74                             |
|         |                                |                                             |                                  | 08/09/2017          | -50000                                             | Sale            | 4786212                                 | 0.73                             |
|         |                                |                                             |                                  | 15/09/2017          | 3987                                               | Purchase        | 4790199                                 | 0.73                             |
|         |                                |                                             |                                  | 15/09/2017          | -8487                                              | Sale            | 4781712                                 | 0.73                             |
|         |                                |                                             |                                  | 22/09/2017          | -159750                                            | Sale            | 4621962                                 | 0.70                             |
|         |                                |                                             |                                  | 29/09/2017          | 2250                                               | Purchase        | 4624212                                 | 0.70                             |
|         |                                |                                             |                                  | 06/10/2017          | 78000                                              | Purchase        | 4702212                                 | 0.72                             |
|         |                                |                                             |                                  | 13/10/2017          | 12000                                              | Purchase        | 4714212                                 | 0.72                             |
|         |                                |                                             |                                  | 20/10/2017          | 141000                                             | Purchase        | 4855212                                 | 0.74                             |
|         |                                |                                             |                                  | 27/10/2017          | 36000                                              | Purchase        | 4891212                                 | 0.74                             |
|         |                                |                                             |                                  | 31/10/2017          | 60000                                              | Purchase        | 4951212                                 | 0.75                             |
|         |                                |                                             |                                  | 03/11/2017          | 260500                                             | Purchase        | 5211712                                 | 0.79                             |
|         |                                |                                             |                                  | 03/11/2017          | -51750                                             | Sale            | 5159962                                 | 0.78                             |
|         |                                |                                             |                                  | 10/11/2017          | 231000                                             | Purchase        | 5390962                                 | 0.82                             |
|         |                                |                                             |                                  | 10/11/2017          | -135000                                            | Sale            | 5255962                                 | 0.80                             |
|         |                                |                                             |                                  | 17/11/2017          | 87450                                              | Purchase        | 5343412                                 | 0.81                             |
|         |                                |                                             |                                  | 24/11/2017          | 52500                                              | Purchase        | 5395912                                 | 0.82                             |
|         |                                |                                             |                                  | 01/12/2017          | 8250                                               | Purchase        | 5404162                                 | 0.82                             |
|         |                                |                                             |                                  | 01/12/2017          | -339                                               | Sale            | 5403823                                 | 0.82                             |
|         |                                |                                             |                                  | 08/12/2017          | 119500                                             | Purchase        | 5523323                                 | 0.84                             |
|         |                                |                                             |                                  | 05/01/2018          | -3000                                              | Sale            | 5520323                                 | 0.84                             |
|         |                                |                                             |                                  | 12/01/2018          | 9597                                               | Purchase        | 5529920                                 | 0.84                             |
|         |                                |                                             |                                  | 12/01/2018          | -76690                                             | Sale            | 5453230                                 | 0.83                             |
|         |                                |                                             |                                  | 19/01/2018          | 30000                                              | Purchase        | 5483230                                 | 0.83                             |
|         |                                |                                             |                                  | 02/02/2018          | 8250                                               | Purchase        | 5491480                                 | 0.84                             |
|         |                                |                                             |                                  | 09/02/2018          | -454700                                            | Sale            | 5036780                                 | 0.77                             |
|         |                                |                                             |                                  | 16/02/2018          | -14250                                             | Sale            | 5022530                                 | 0.76                             |
|         |                                |                                             |                                  | 02/03/2018          | 60000                                              | Purchase        | 5082530                                 | 0.77                             |
|         |                                |                                             |                                  | 23/03/2018          | 164609                                             | Purchase        | 5247139                                 | 0.80                             |
|         |                                |                                             |                                  | 31/03/2018          |                                                    | Closing Balance | 5247139                                 | 0.80                             |
|         |                                | 4169266                                     | 0.89                             | 31/03/2017          |                                                    | Opening Balance | 4169266                                 | 0.89                             |
|         |                                |                                             |                                  | 14/04/2017          | 592500                                             | Purchase        | 4761766                                 | 1.02                             |
|         |                                |                                             |                                  | 12/05/2017          | 599000                                             | Purchase        | 5360766                                 | 1.15                             |
|         |                                |                                             |                                  | 19/05/2017          | 18949                                              | Purchase        | 5379715                                 | 1.15                             |

| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                                           | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
|         |                    |                                             |                                  | 19/05/2017          | -260700                                            | Sale                                      | 5119015                                 | 1.10                             |
|         |                    |                                             |                                  | 02/06/2017          | 594000                                             | Purchase                                  | 5713015                                 | 1.22                             |
|         |                    |                                             |                                  | 02/06/2017          | -18716                                             | Sale                                      | 5694299                                 | 1.22                             |
|         |                    |                                             |                                  | 09/06/2017          | 69129                                              | Purchase                                  | 5763428                                 | 1.23                             |
|         |                    |                                             |                                  | 16/06/2017          | 264301                                             | Purchase                                  | 6027729                                 | 1.29                             |
|         |                    |                                             |                                  | 16/06/2017          | -803086                                            | Sale                                      | 5224643                                 | 1.12                             |
|         |                    |                                             |                                  | 23/06/2017          | 127699                                             | Purchase                                  | 5352342                                 | 1.15                             |
|         |                    |                                             |                                  | 07/07/2017          | 195881                                             | Purchase                                  | 5548223                                 | 1.19                             |
|         |                    |                                             |                                  | 07/07/2017          | -19511                                             | Sale                                      | 5528712                                 | 1.18                             |
|         |                    |                                             |                                  | 14/07/2017          | 35623                                              | Allotment of Shares due to Merger of ABNL | 5564335                                 | 0.85                             |
|         |                    |                                             |                                  | 21/07/2017          | 1366                                               | Purchase                                  | 5565701                                 | 0.85                             |
|         |                    |                                             |                                  | 28/07/2017          | 31180                                              | Purchase                                  | 5596881                                 | 0.85                             |
|         |                    |                                             |                                  | 04/08/2017          | 160000                                             | Purchase                                  | 5756881                                 | 0.88                             |
|         |                    |                                             |                                  | 11/08/2017          | 52753                                              | Purchase                                  | 5809634                                 | 0.88                             |
|         |                    |                                             |                                  | 18/08/2017          | 294493                                             | Purchase                                  | 6104127                                 | 0.93                             |
|         |                    |                                             |                                  | 25/08/2017          | 231633                                             | Purchase                                  | 6335760                                 | 0.96                             |
|         |                    |                                             |                                  | 01/09/2017          | 16203                                              | Purchase                                  | 6351963                                 | 0.97                             |
|         |                    |                                             |                                  | 08/09/2017          | 181449                                             | Purchase                                  | 6533412                                 | 0.99                             |
|         |                    |                                             |                                  | 15/09/2017          | 2060                                               | Purchase                                  | 6535472                                 | 0.99                             |
|         |                    |                                             |                                  | 22/09/2017          | 1426                                               | Purchase                                  | 6536898                                 | 0.99                             |
|         |                    |                                             |                                  | 22/09/2017          | -457965                                            | Sale                                      | 6078933                                 | 0.92                             |
|         |                    |                                             |                                  | 06/10/2017          | 7992                                               | Purchase                                  | 6086925                                 | 0.93                             |
|         |                    |                                             |                                  | 20/10/2017          | 19502                                              | Purchase                                  | 6106427                                 | 0.93                             |
|         |                    |                                             |                                  | 10/11/2017          | 131573                                             | Purchase                                  | 6238000                                 | 0.95                             |
|         |                    |                                             |                                  | 17/11/2017          | -131745                                            | Sale                                      | 6106255                                 | 0.93                             |
|         |                    |                                             |                                  | 24/11/2017          | -234216                                            | Sale                                      | 5872039                                 | 0.89                             |
|         |                    |                                             |                                  | 01/12/2017          | -9668                                              | Sale                                      | 5862371                                 | 0.89                             |
|         |                    |                                             |                                  | 08/12/2017          | -5011                                              | Sale                                      | 5857360                                 | 0.89                             |
|         |                    |                                             |                                  | 15/12/2017          | 18798                                              | Purchase                                  | 5876158                                 | 0.89                             |
|         |                    |                                             |                                  | 19/01/2018          | 14567                                              | Purchase                                  | 5890725                                 | 0.90                             |
|         |                    |                                             |                                  | 02/03/2018          | 27796                                              | Purchase                                  | 5918521                                 | 0.90                             |
|         |                    |                                             |                                  | 23/03/2018          | -6817                                              | Sale                                      | 5911704                                 | 0.90                             |
|         |                    |                                             |                                  | 30/03/2018          | 13332                                              | Purchase                                  | 5925036                                 | 0.90                             |
|         |                    |                                             |                                  | 30/03/2018          | -26302                                             | Sale                                      | 5898734                                 | 0.90                             |
|         |                    |                                             |                                  | 31/03/2018          |                                                    | Closing Balance                           | 5898734                                 | 0.90                             |



| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                                           | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
| 9       | FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA | 5840494                                     | 1.25                             | 31/03/2017          |                                                    | Opening Balance                           | 5840494                                 | 1.25                             |
|         |                                                   |                                             |                                  | 07/04/2017          | 247453                                             | Purchase                                  | 6087947                                 | 1.30                             |
|         |                                                   |                                             |                                  | 21/04/2017          | 210000                                             | Purchase                                  | 6297947                                 | 1.35                             |
|         |                                                   |                                             |                                  | 21/04/2017          | -47                                                | Sale                                      | 6297900                                 | 1.35                             |
|         |                                                   |                                             |                                  | 28/04/2017          | -46                                                | Sale                                      | 6297854                                 | 1.35                             |
|         |                                                   |                                             |                                  | 05/05/2017          | -92                                                | Sale                                      | 6297762                                 | 1.35                             |
|         |                                                   |                                             |                                  | 12/05/2017          | -46                                                | Sale                                      | 6297716                                 | 1.35                             |
|         |                                                   |                                             |                                  | 19/05/2017          | -46                                                | Sale                                      | 6297670                                 | 1.35                             |
|         |                                                   |                                             |                                  | 26/05/2017          | -22156                                             | Sale                                      | 6275514                                 | 1.34                             |
|         |                                                   |                                             |                                  | 07/07/2017          | -225909                                            | Sale                                      | 6049605                                 | 1.30                             |
|         |                                                   |                                             |                                  | 14/07/2017          | -56763                                             | Sale                                      | 5992842                                 | 0.91                             |
|         |                                                   |                                             |                                  | 11/08/2017          | -1028715                                           | Sale                                      | 4964127                                 | 0.76                             |
|         |                                                   |                                             |                                  | 18/08/2017          | -600000                                            | Sale                                      | 4364127                                 | 0.66                             |
|         |                                                   |                                             |                                  | 25/08/2017          | -600000                                            | Sale                                      | 3764127                                 | 0.57                             |
|         |                                                   |                                             |                                  | 01/09/2017          | -1062351                                           | Sale                                      | 2701776                                 | 0.41                             |
|         |                                                   |                                             |                                  | 08/09/2017          | -400000                                            | Sale                                      | 2301776                                 | 0.35                             |
|         |                                                   |                                             |                                  | 15/09/2017          | -252635                                            | Sale                                      | 2049141                                 | 0.31                             |
|         |                                                   |                                             |                                  | 29/09/2017          | -504494                                            | Sale                                      | 1544647                                 | 0.23                             |
|         |                                                   |                                             |                                  | 06/10/2017          | -295506                                            | Sale                                      | 1249141                                 | 0.19                             |
|         |                                                   |                                             |                                  | 31/03/2018          |                                                    | Closing Balance                           | 1249141                                 | 0.19                             |
| 10      | GOVERNMENT OF SINGAPORE                           | 4770524                                     | 1.02                             | 31/03/2017          |                                                    | Opening Balance                           | 4770524                                 | 1.02                             |
|         |                                                   |                                             |                                  | 07/04/2017          | -9580                                              | Sale                                      | 4760944                                 | 1.02                             |
|         |                                                   |                                             |                                  | 14/04/2017          | 4493                                               | Purchase                                  | 4765437                                 | 1.02                             |
|         |                                                   |                                             |                                  | 21/04/2017          | -2165                                              | Sale                                      | 4763272                                 | 1.02                             |
|         |                                                   |                                             |                                  | 28/04/2017          | -953                                               | Sale                                      | 4762319                                 | 1.02                             |
|         |                                                   |                                             |                                  | 05/05/2017          | -51184                                             | Sale                                      | 4711135                                 | 1.01                             |
|         |                                                   |                                             |                                  | 26/05/2017          | -2539                                              | Sale                                      | 4708596                                 | 1.01                             |
|         |                                                   |                                             |                                  | 02/06/2017          | 752564                                             | Purchase                                  | 5461160                                 | 1.17                             |
|         |                                                   |                                             |                                  | 09/06/2017          | 13468                                              | Purchase                                  | 5474628                                 | 1.17                             |
|         |                                                   |                                             |                                  | 16/06/2017          | 9012                                               | Purchase                                  | 5483640                                 | 1.17                             |
|         |                                                   |                                             |                                  | 23/06/2017          | -3126                                              | Sale                                      | 5480514                                 | 1.17                             |
|         |                                                   |                                             |                                  | 30/06/2017          | 290137                                             | Purchase                                  | 5770651                                 | 1.24                             |
|         |                                                   |                                             |                                  | 07/07/2017          | 764925                                             | Purchase                                  | 6535576                                 | 1.40                             |
|         |                                                   |                                             |                                  | 14/07/2017          | 99753                                              | Allotment of Shares due to Merger of ABNL | 6635329                                 | 1.01                             |

| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                 | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
|         |                                                     |                                             |                                  | 11/08/2017          | 10773                                              | Purchase        | 6646102                                 | 1.01                             |
|         |                                                     |                                             |                                  | 18/08/2017          | -4300                                              | Sale            | 6641802                                 | 1.01                             |
|         |                                                     |                                             |                                  | 01/09/2017          | -106875                                            | Sale            | 6534927                                 | 0.99                             |
|         |                                                     |                                             |                                  | 08/09/2017          | -178137                                            | Sale            | 6356790                                 | 0.97                             |
|         |                                                     |                                             |                                  | 06/10/2017          | 24225                                              | Purchase        | 6381015                                 | 0.97                             |
|         |                                                     |                                             |                                  | 13/10/2017          | -6665                                              | Sale            | 6374350                                 | 0.97                             |
|         |                                                     |                                             |                                  | 03/11/2017          | 39984                                              | Purchase        | 6414334                                 | 0.98                             |
|         |                                                     |                                             |                                  | 17/11/2017          | -2409                                              | Sale            | 6411925                                 | 0.98                             |
|         |                                                     |                                             |                                  | 01/12/2017          | -144805                                            | Sale            | 6267120                                 | 0.95                             |
|         |                                                     |                                             |                                  | 08/12/2017          | -93569                                             | Sale            | 6173551                                 | 0.94                             |
|         |                                                     |                                             |                                  | 05/01/2018          | 117359                                             | Purchase        | 6290910                                 | 0.96                             |
|         |                                                     |                                             |                                  | 19/01/2018          | 95213                                              | Purchase        | 6386123                                 | 0.97                             |
|         |                                                     |                                             |                                  | 26/01/2018          | 61770                                              | Purchase        | 6447893                                 | 0.98                             |
|         |                                                     |                                             |                                  | 02/02/2018          | 26680                                              | Purchase        | 6474573                                 | 0.98                             |
|         |                                                     |                                             |                                  | 09/02/2018          | -11109                                             | Sale            | 6463464                                 | 0.98                             |
|         |                                                     |                                             |                                  | 16/02/2018          | -10773                                             | Sale            | 6452691                                 | 0.98                             |
|         |                                                     |                                             |                                  | 23/02/2018          | -18559                                             | Sale            | 6434132                                 | 0.98                             |
|         |                                                     |                                             |                                  | 02/03/2018          | -116853                                            | Sale            | 6317279                                 | 0.96                             |
|         |                                                     |                                             |                                  | 09/03/2018          | -85032                                             | Sale            | 6232247                                 | 0.95                             |
|         |                                                     |                                             |                                  | 30/03/2018          | 37314                                              | Purchase        | 6269561                                 | 0.95                             |
|         |                                                     |                                             |                                  | 31/03/2018          |                                                    | Closing Balance | 6269561                                 | 0.95                             |
| 11      | RELIANCE CAPITAL TRUSTEE CO LTD (W.E.F. 16/06/2017) | 4768464                                     | 1.02                             | 31/03/2017          |                                                    |                 | 4768464                                 | 1.02                             |
|         |                                                     |                                             |                                  | 07/04/2017          | 215003                                             | Opening Balance | 4983467                                 | 1.07                             |
|         |                                                     |                                             |                                  | 14/04/2017          | -87750                                             | Purchase        | 4895717                                 | 1.05                             |
|         |                                                     |                                             |                                  | 21/04/2017          | 327191                                             | Sale            | 5222908                                 | 1.12                             |
|         |                                                     |                                             |                                  | 28/04/2017          | 12                                                 | Purchase        | 5222920                                 | 1.12                             |
|         |                                                     |                                             |                                  | 28/04/2017          | -41821                                             | Purchase        | 5181099                                 | 1.11                             |
|         |                                                     |                                             |                                  | 05/05/2017          | 73000                                              | Sale            | 5254099                                 | 1.13                             |
|         |                                                     |                                             |                                  | 05/05/2017          | -576                                               | Purchase        | 5253523                                 | 1.13                             |
|         |                                                     |                                             |                                  | 12/05/2017          | 69                                                 | Sale            | 5253592                                 | 1.13                             |
|         |                                                     |                                             |                                  | 12/05/2017          | -121882                                            | Purchase        | 5131710                                 | 1.10                             |
|         |                                                     |                                             |                                  | 19/05/2017          | 77400                                              | Sale            | 5209110                                 | 1.12                             |
|         |                                                     |                                             |                                  | 19/05/2017          | -15903                                             | Purchase        | 5193207                                 | 1.11                             |
|         |                                                     |                                             |                                  | 26/05/2017          | 4950                                               | Sale            | 5198157                                 | 1.11                             |
|         |                                                     |                                             |                                  | 26/05/2017          | -92132                                             | Purchase        | 5106025                                 | 1.09                             |
|         |                                                     |                                             |                                  | 02/06/2017          | 218990                                             | Sale            | 5325015                                 | 1.14                             |
|         |                                                     |                                             |                                  | 16/06/2017          | 525900                                             | Purchase        | 5850915                                 | 1.25                             |

| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                                           | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
|         |                    |                                             |                                  | 23/06/2017          | 50000                                              | Purchase                                  | 5900915                                 | 1.26                             |
|         |                    |                                             |                                  | 23/06/2017          | -15900                                             | Purchase                                  | 5885015                                 | 1.26                             |
|         |                    |                                             |                                  | 30/06/2017          | 344830                                             | Sale                                      | 6229845                                 | 1.33                             |
|         |                    |                                             |                                  | 30/06/2017          | -24750                                             | Purchase                                  | 6205095                                 | 1.33                             |
|         |                    |                                             |                                  | 07/07/2017          | 413000                                             | Sale                                      | 6618095                                 | 1.42                             |
|         |                    |                                             |                                  | 14/07/2017          | 1711850                                            | Allotment of Shares due to Merger of ABNL | 8329945                                 | 1.27                             |
|         |                    |                                             |                                  | 21/07/2017          | 250000                                             | Purchase                                  | 8579945                                 | 1.31                             |
|         |                    |                                             |                                  | 21/07/2017          | -1283250                                           | Purchase                                  | 7296695                                 | 1.11                             |
|         |                    |                                             |                                  | 28/07/2017          | 496450                                             | Sale                                      | 7793145                                 | 1.19                             |
|         |                    |                                             |                                  | 04/08/2017          | 437250                                             | Purchase                                  | 8230395                                 | 1.25                             |
|         |                    |                                             |                                  | 11/08/2017          | 75000                                              | Purchase                                  | 8305395                                 | 1.26                             |
|         |                    |                                             |                                  | 18/08/2017          | 172300                                             | Purchase                                  | 8477695                                 | 1.29                             |
|         |                    |                                             |                                  | 18/08/2017          | -46500                                             | Purchase                                  | 8431195                                 | 1.28                             |
|         |                    |                                             |                                  | 25/08/2017          | 175164                                             | Sale                                      | 8606359                                 | 1.31                             |
|         |                    |                                             |                                  | 25/08/2017          | -7500                                              | Purchase                                  | 8598859                                 | 1.31                             |
|         |                    |                                             |                                  | 01/09/2017          | 42000                                              | Sale                                      | 8640859                                 | 1.31                             |
|         |                    |                                             |                                  | 08/09/2017          | 247500                                             | Purchase                                  | 8888359                                 | 1.35                             |
|         |                    |                                             |                                  | 15/09/2017          | 40000                                              | Purchase                                  | 8928359                                 | 1.36                             |
|         |                    |                                             |                                  | 15/09/2017          | -186000                                            | Purchase                                  | 8742359                                 | 1.33                             |
|         |                    |                                             |                                  | 22/09/2017          | -633275                                            | Sale                                      | 8109084                                 | 1.23                             |
|         |                    |                                             |                                  | 29/09/2017          | 11250                                              | Sale                                      | 8120334                                 | 1.24                             |
|         |                    |                                             |                                  | 29/09/2017          | -1010000                                           | Purchase                                  | 7110334                                 | 1.08                             |
|         |                    |                                             |                                  | 06/10/2017          | 247250                                             | Sale                                      | 7357584                                 | 1.12                             |
|         |                    |                                             |                                  | 13/10/2017          | 189000                                             | Purchase                                  | 7546584                                 | 1.15                             |
|         |                    |                                             |                                  | 13/10/2017          | -589750                                            | Purchase                                  | 6956834                                 | 1.06                             |
|         |                    |                                             |                                  | 20/10/2017          | 227700                                             | Sale                                      | 7184534                                 | 1.09                             |
|         |                    |                                             |                                  | 27/10/2017          | 155650                                             | Purchase                                  | 7340184                                 | 1.12                             |
|         |                    |                                             |                                  | 27/10/2017          | -129000                                            | Purchase                                  | 7211184                                 | 1.10                             |
|         |                    |                                             |                                  | 31/10/2017          | 1500                                               | Sale                                      | 7212684                                 | 1.10                             |
|         |                    |                                             |                                  | 03/11/2017          | -135000                                            | Purchase                                  | 7077684                                 | 1.08                             |
|         |                    |                                             |                                  | 10/11/2017          | 12500                                              | Sale                                      | 7090184                                 | 1.08                             |
|         |                    |                                             |                                  | 17/11/2017          | 13000                                              | Purchase                                  | 7103184                                 | 1.08                             |
|         |                    |                                             |                                  | 24/11/2017          | 165750                                             | Purchase                                  | 7268934                                 | 1.11                             |
|         |                    |                                             |                                  | 01/12/2017          | 16500                                              | Purchase                                  | 7285434                                 | 1.11                             |
|         |                    |                                             |                                  | 08/12/2017          | 798600                                             | Purchase                                  | 8084034                                 | 1.23                             |
|         |                    |                                             |                                  | 15/12/2017          | 106000                                             | Purchase                                  | 8190034                                 | 1.25                             |
|         |                    |                                             |                                  | 15/12/2017          | -9000                                              | Purchase                                  | 8181034                                 | 1.24                             |
|         |                    |                                             |                                  | 22/12/2017          | 149900                                             | Sale                                      | 8330934                                 | 1.27                             |

| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                                           | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
| 12      | STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY (W.E.F. 11/08/2017) | 3224260                                     | 0.69                             | 29/12/2017          | 130000                                             | Purchase                                  | 8460934                                 | 1.29                             |
|         |                                                                      |                                             |                                  | 29/12/2017          | -164250                                            | Purchase                                  | 8296684                                 | 1.26                             |
|         |                                                                      |                                             |                                  | 05/01/2018          | 200000                                             | Sale                                      | 8496684                                 | 1.29                             |
|         |                                                                      |                                             |                                  | 05/01/2018          | -93750                                             | Purchase                                  | 8402934                                 | 1.28                             |
|         |                                                                      |                                             |                                  | 12/01/2018          | 89630                                              | Sale                                      | 8492564                                 | 1.29                             |
|         |                                                                      |                                             |                                  | 19/01/2018          | 133500                                             | Purchase                                  | 8626064                                 | 1.31                             |
|         |                                                                      |                                             |                                  | 26/01/2018          | 300000                                             | Purchase                                  | 8926064                                 | 1.36                             |
|         |                                                                      |                                             |                                  | 26/01/2018          | -79500                                             | Purchase                                  | 8846564                                 | 1.35                             |
|         |                                                                      |                                             |                                  | 02/02/2018          | 274500                                             | Sale                                      | 9121064                                 | 1.39                             |
|         |                                                                      |                                             |                                  | 02/02/2018          | -54000                                             | Purchase                                  | 9067064                                 | 1.38                             |
|         |                                                                      |                                             |                                  | 09/02/2018          | 240000                                             | Sale                                      | 9307064                                 | 1.42                             |
|         |                                                                      |                                             |                                  | 23/02/2018          | 4500                                               | Purchase                                  | 9311564                                 | 1.42                             |
|         |                                                                      |                                             |                                  | 02/03/2018          | -4500                                              | Purchase                                  | 9307064                                 | 1.42                             |
|         |                                                                      |                                             |                                  | 09/03/2018          | 33750                                              | Sale                                      | 9340814                                 | 1.42                             |
|         |                                                                      |                                             |                                  | 16/03/2018          | 382300                                             | Purchase                                  | 9723114                                 | 1.48                             |
|         |                                                                      |                                             |                                  | 23/03/2018          | 334600                                             | Purchase                                  | 10057714                                | 1.53                             |
|         |                                                                      |                                             |                                  | 30/03/2018          | 606505                                             | Purchase                                  | 10664219                                | 1.62                             |
|         |                                                                      |                                             |                                  | 31/03/2018          |                                                    | Purchase                                  | 10664219                                | 1.62                             |
|         |                                                                      |                                             |                                  | 31/03/2017          |                                                    | Closing Balance                           | 3224260                                 | 0.69                             |
|         |                                                                      |                                             |                                  | 14/04/2017          | 69604                                              | Purchase                                  | 3293864                                 | 0.71                             |
|         |                                                                      |                                             |                                  | 28/04/2017          | 44767                                              | Purchase                                  | 3338631                                 | 0.72                             |
|         |                                                                      |                                             |                                  | 19/05/2017          | 78180                                              | Purchase                                  | 3416811                                 | 0.73                             |
|         |                                                                      |                                             |                                  | 26/05/2017          | 122675                                             | Purchase                                  | 3539486                                 | 0.76                             |
|         |                                                                      |                                             |                                  | 02/06/2017          | 83516                                              | Purchase                                  | 3623002                                 | 0.78                             |
|         |                                                                      |                                             |                                  | 16/06/2017          | 65110                                              | Purchase                                  | 3688112                                 | 0.79                             |
|         |                                                                      |                                             |                                  | 23/06/2017          | 82084                                              | Purchase                                  | 3770196                                 | 0.81                             |
|         |                                                                      |                                             |                                  | 14/07/2017          | 1198000                                            | Allotment of Shares due to Merger of ABNL | 4968196                                 | 0.76                             |
|         |                                                                      |                                             |                                  | 28/07/2017          | 237115                                             | Purchase                                  | 5205311                                 | 0.79                             |
|         |                                                                      |                                             |                                  | 04/08/2017          | -206371                                            | Sale                                      | 4998940                                 | 0.76                             |
|         |                                                                      |                                             |                                  | 01/09/2017          | 35066                                              | Purchase                                  | 5034006                                 | 0.77                             |
|         |                                                                      |                                             |                                  | 15/09/2017          | 141079                                             | Purchase                                  | 5175085                                 | 0.79                             |
|         |                                                                      |                                             |                                  | 22/09/2017          | -17090                                             | Sale                                      | 5157995                                 | 0.78                             |
|         |                                                                      |                                             |                                  | 06/10/2017          | -3017                                              | Sale                                      | 5154978                                 | 0.78                             |
|         |                                                                      |                                             |                                  | 03/11/2017          | -74478                                             | Sale                                      | 5080500                                 | 0.77                             |
|         |                                                                      |                                             |                                  | 10/11/2017          | -66156                                             | Sale                                      | 5014344                                 | 0.76                             |



| 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 (31/03/2017) | % of Total Shares of the Company |                     |                                                    |                 | No. of Shares (31/03/2018)              | % of Total Shares of the Company |
|         |                                                                        |                                             |                                  | 17/11/2017          | 74932                                              | Purchase        | 5089276                                 | 0.77                             |
|         |                                                                        |                                             |                                  | 24/11/2017          | -163929                                            | Sale            | 4925347                                 | 0.75                             |
|         |                                                                        |                                             |                                  | 01/12/2017          | 428959                                             | Purchase        | 5354306                                 | 0.81                             |
|         |                                                                        |                                             |                                  | 08/12/2017          | -99839                                             | Sale            | 5254467                                 | 0.80                             |
|         |                                                                        |                                             |                                  | 15/12/2017          | -230134                                            | Sale            | 5024333                                 | 0.76                             |
|         |                                                                        |                                             |                                  | 22/12/2017          | -96946                                             | Sale            | 4927387                                 | 0.75                             |
|         |                                                                        |                                             |                                  | 02/02/2018          | 45701                                              | Purchase        | 4973088                                 | 0.76                             |
|         |                                                                        |                                             |                                  | 09/02/2018          | 12676                                              | Purchase        | 4985764                                 | 0.76                             |
|         |                                                                        |                                             |                                  | 16/02/2018          | 45786                                              | Purchase        | 5031550                                 | 0.77                             |
|         |                                                                        |                                             |                                  | 02/03/2018          | -232465                                            | Sale            | 4799085                                 | 0.73                             |
|         |                                                                        |                                             |                                  | 16/03/2018          | 200000                                             | Purchase        | 4999085                                 | 0.76                             |
|         |                                                                        |                                             |                                  | 23/03/2018          | 90000                                              | Purchase        | 5089085                                 | 0.77                             |
|         |                                                                        |                                             |                                  | 31/03/2018          |                                                    | Closing Balance | 5089085                                 | 0.77                             |
| 13      | VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI (W.E.F. 25/08/2017) | 0                                           | 0.00                             | 31/03/2017          |                                                    | Opening Balance | 0                                       | 0.00                             |
|         |                                                                        |                                             |                                  | 05/01/2018          | 4848776                                            | Purchase        | 4848776                                 | 0.74                             |
|         |                                                                        |                                             |                                  | 12/01/2018          | 152795                                             | Purchase        | 5001571                                 | 0.76                             |
|         |                                                                        |                                             |                                  | 26/01/2018          | 20821                                              | Purchase        | 5022392                                 | 0.76                             |
|         |                                                                        |                                             |                                  | 23/03/2018          | 5040998                                            | Purchase        | 5040998                                 | 0.77                             |
|         |                                                                        |                                             |                                  | 30/03/2018          | -25600                                             | Sale            | 5015398                                 | 0.76                             |
|         |                                                                        |                                             |                                  | 31/03/2018          |                                                    | Closing Balance | 5015398                                 | 0.76                             |

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

| Sl. No. | For each of the Directors and KMP                                        | Shareholding at the beginning of the Year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                          | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1       | <b>Mr. Kumar Mangalam Birla (Director)</b>                               |                                           |                                  |                                         |                                  |
|         | At the beginning of the year                                             | 30080                                     | 0.01                             | 30080                                   | 0.01                             |
|         | Acquisition on 9th July 2017 (Allotment of Shares due to Merger of ABNL) | 6913                                      | 0.00                             | 36993                                   | 0.01                             |
|         | At the end of the year                                                   |                                           |                                  | 36993                                   | 0.01                             |
| 2       | <b>Mrs. Rajashree Birla (Director)</b>                                   |                                           |                                  |                                         |                                  |
|         | At the beginning of the year                                             | 361400                                    | 0.08                             | 361400                                  | 0.08                             |
|         | Acquisition on 9th July 2017 (Allotment of Shares due to Merger of ABNL) | 191450                                    | 0.03                             | 552850                                  | 0.08                             |
|         | At the end of the year                                                   |                                           |                                  | 552850                                  | 0.08                             |

| 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 |
| <b>3</b>  | <b>Mr. M. L. Apte (Director)</b>                                                  |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 650                                       | 0.00                             | 650                                     | 0.00                             |
|           | Date-wise Increase/Decrease:                                                      |                                           |                                  |                                         |                                  |
|           | At the end of the year                                                            |                                           |                                  | 650                                     | 0.00                             |
| <b>4</b>  | <b>Mr. B. V. Bhargava (Director)</b>                                              |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 2000                                      | 0.00                             | 2000                                    | 0.00                             |
|           | Date-wise Increase/Decrease:                                                      |                                           |                                  |                                         |                                  |
|           | At the end of the year                                                            |                                           |                                  | 2000                                    | 0.00                             |
| <b>5</b>  | <b>Mr. Arun Kannan Thiagarajan (Director)</b>                                     |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 1,475                                     | 0.00                             | 1,475                                   | 0.00                             |
|           | Date-wise Increase/Decrease:                                                      |                                           |                                  |                                         |                                  |
|           | At the end of the year                                                            |                                           |                                  | 1475                                    | 0.00                             |
| <b>6</b>  | <b>Mr. Cyril Shroff (Director)</b>                                                |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 685                                       | 0.00                             | 685                                     | 0.00                             |
|           | Date-wise Increase/Decrease:                                                      |                                           |                                  |                                         |                                  |
|           | At the end of the year                                                            |                                           |                                  | 685                                     | 0.00                             |
| <b>7</b>  | <b>Dr. Thomas M. Connelly (Director)</b>                                          |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 0                                         | 0.00                             | 0                                       | 0.00                             |
|           | Date-wise Increase/Decrease:                                                      |                                           |                                  |                                         |                                  |
|           | At the end of the year                                                            |                                           |                                  | 0                                       | 0.00                             |
| <b>8</b>  | <b>Mr. O.P. Rungta (Director)</b>                                                 |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 635                                       | 0.00                             | 0                                       | 0.00                             |
|           | Date-wise Increase/Decrease:                                                      |                                           |                                  |                                         |                                  |
|           | At the end of the year                                                            |                                           |                                  | 1135                                    | 0.00                             |
| <b>9</b>  | <b>Mr. N. Mohan Raj (Director)</b>                                                |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 500                                       | 0.00                             | 0                                       | 0.00                             |
|           | Date-wise Increase/Decrease:                                                      |                                           |                                  |                                         |                                  |
|           | At the end of the year                                                            |                                           |                                  | 500                                     | 0.00                             |
| <b>10</b> | <b>Mr. Shailendra K. Jain (Director)</b>                                          |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 64995                                     | 0.01                             | 64995                                   | 0.01                             |
|           | Date-wise Increase/Decrease:                                                      | 435                                       | 0.00                             | 65430                                   | 0.01                             |
|           | At the end of the year                                                            |                                           |                                  | 65430                                   | 0.01                             |
| <b>11</b> | <b>Mr. Sushil Agarwal<br/>(Whole Time Director &amp; Chief Financial Officer)</b> |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 390                                       | 0.00                             | 390                                     | 0.00                             |
|           | Acquisition on 9th July 2017                                                      | 34232                                     | 0.01                             | 34622                                   | 0.01                             |
|           | At the end of the year                                                            |                                           |                                  | 34622                                   | 0.01                             |
| <b>12</b> | <b>Mr. Dilip Gaur (Managing Director)</b>                                         |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 0                                         | 0.00                             | 0                                       | 0.00                             |
|           | Date-wise Increase/Decrease:                                                      |                                           |                                  |                                         |                                  |
|           | At the end of the year                                                            |                                           |                                  | 0                                       | 0.00                             |
| <b>13</b> | <b>Mrs. Hutokshi Wadia (Company Secretary)</b>                                    |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                      | 0                                         | 0.00                             | 0                                       | 0.00                             |
|           | Date-wise Increase/Decrease:                                                      |                                           |                                  |                                         |                                  |
|           | At the end of the year                                                            |                                           |                                  | 0                                       | 0.00                             |

**V. INDEBTEDNESS:**

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

(₹ in Crore)

| Sr. No. | Particulars                                                                  | Secured Loans Excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---------|------------------------------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
|         | <b>Indebtedness at the beginning of the Financial Year – 1st April, 2017</b> |                                  |                 |          |                    |
| 1)      | Principal Amount                                                             | 683.11                           | 24.04           | -        | 707.16             |
| 2)      | Interest Due but not Paid                                                    | -                                | -               | -        | -                  |
| 3)      | Interest Accrued but not Due                                                 | 5.22                             | -               | -        | 5.22               |
|         | <b>Total of 1+2+3</b>                                                        | <b>688.34</b>                    | <b>24.04</b>    | <b>-</b> | <b>712.38</b>      |
|         | <b>Change in Indebtedness during the Financial Year</b>                      |                                  |                 |          |                    |
|         | + Addition                                                                   | 686.44                           | 6,437.32        |          | 7,123.76           |
|         | – Reduction                                                                  | 786.99                           | 4,085.26        |          | 4,872.26           |
|         | <b>Net Change</b>                                                            | <b>(100.55)</b>                  | <b>2,352.05</b> | <b>-</b> | <b>2,251.50</b>    |
|         | <b>Indebtedness at the end of the Financial Year – 31st March, 2018</b>      |                                  |                 |          |                    |
| 1)      | Principal Amount                                                             | 582.56                           | 2,376.09        | -        | 2,958.65           |
| 2)      | Interest Due but not Paid                                                    | -                                | -               | -        | -                  |
| 3)      | Interest Accrued but not Due                                                 | 3.23                             | 20.62           | -        | 23.85              |
|         | <b>Total of 1+2+3</b>                                                        | <b>585.79</b>                    | <b>2,396.72</b> | <b>-</b> | <b>2,982.51</b>    |

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

(₹ in Lakh)

| Sr. No. | Particulars of Remuneration                                                         | Name of MD/WTD/Manager            |                                               | Total Amount    |
|---------|-------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------|-----------------|
|         |                                                                                     | Mr. Dilip Gaur, Managing Director | 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 | 340.17                            | 358.98                                        | 699.15          |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 22.30                             | 7.68                                          | 29.97           |
|         | (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)               | 40.92                             | 33.52                                         | 74.45           |
| 6       | Performance Bonus                                                                   | 181.13                            | 127.80                                        | 308.93          |
|         | <b>Total (A)</b>                                                                    | <b>584.52</b>                     | <b>527.98</b>                                 | <b>1,112.50</b> |
|         | Ceiling as per the Act                                                              | 10% of net profit of the Company  |                                               |                 |

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

(₹ in Lakh)

| Particulars of Remuneration                | Name of Director |                    |                             |                         |                  |                  | Total Amount  |
|--------------------------------------------|------------------|--------------------|-----------------------------|-------------------------|------------------|------------------|---------------|
|                                            | Mr. M. L. Apte   | Mr. B. V. Bhargava | Mr. Arun Kannan Thiagarajan | Dr. Thomas Connolly Jr. | Mr. O. P. Rungta | Mr. Cyril Shroff |               |
| Fee for attending board Committee Meetings | 7.80             | 5.95               | 3.20                        | 3.00                    | 3.70             | 1.40             | 25.05         |
| Commission proposed*                       | 40               | 34                 | 25                          | 12                      | 19               | 10               | 140.00        |
| Others, please specify                     | 0                | 0                  | 0                           | 0                       | 0                | 0                | 0.00          |
| <b>Total (I)</b>                           | <b>47.80</b>     | <b>39.95</b>       | <b>28.20</b>                | <b>15.00</b>            | <b>22.70</b>     | <b>11.40</b>     | <b>165.05</b> |

\* Excluding GST

**II. Other Non-Executive Directors:**

(₹ in Lakh)

| Other Non-Executive Directors              | Mr. Kumar Mangalam Birla        | Mrs. Rajashree Birla | Mr. Shailendra K. Jain | Mr. N. Mohan Raj* | Total Amount   |
|--------------------------------------------|---------------------------------|----------------------|------------------------|-------------------|----------------|
| Fee for attending Board Committee Meetings | 2.30                            | 1.60                 | 3.60                   | 2.70              | 10.20          |
| Commission proposed#                       | 1270                            | 66                   | 13                     | 11                | 1360.00        |
| Others, please specify                     | 0                               | 0                    | 0                      | 0                 | 0.00           |
| <b>Total (II)</b>                          | <b>1272.30</b>                  | <b>67.60</b>         | <b>16.60</b>           | <b>13.70</b>      | <b>1370.20</b> |
| <b>Total (B) = (I+II)</b>                  |                                 |                      |                        |                   | <b>1535.25</b> |
| Ceiling as per the Act                     | 1% of Net profit of the Company |                      |                        |                   | <b>2540.00</b> |

\*To be paid to LIC.

# Excluding GST

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

(₹ in Lakh)

| Sr. No. | Particulars of Remuneration                                                         | Name of the KMP                        | Total Amount |
|---------|-------------------------------------------------------------------------------------|----------------------------------------|--------------|
|         |                                                                                     | Mrs. Hutokshi Wadia, Company Secretary |              |
| 1       | Gross Salary                                                                        |                                        |              |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 68.84                                  | 68.84        |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 0.83                                   | 0.83         |
|         | (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                               | 5.12                                   | 5.12         |
| 6       | Performance Bonus                                                                   | 17.53                                  | 17.53        |
|         | <b>Total (C)</b>                                                                    | <b>92</b>                              | <b>92</b>    |

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the year ended 31st March, 2018.



# Annexure 'H' to the Board's Report

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

## ADITYA BIRLA GROUP: EXECUTIVE REMUNERATION PHILOSOPHY/POLICY

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

### *Our Business and Organisational Model*

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

#### *I. Objectives of the Executive Remuneration Programme*

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

Our executive remuneration programme is intended to:

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

#### *II. Executives*

Our Executive Remuneration Philosophy/Policy applies to the following:

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

#### *III. Business and Talent Competitors*

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we

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

#### *IV. Executive Pay Positioning*

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

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

#### *V. Executive Pay-Mix*

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

##### *Annual Incentive Plan:*

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

##### *Long-Term Incentives:*

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

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

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

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

#### VI. *Performance Goal Setting*

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

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

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

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

#### VII. *Executive Benefits and Perquisites*

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

#### Other Remuneration Elements:

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

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

#### Risk and Compliance:

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

#### Clawback Clause:

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

#### Implementation:

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

Mumbai, 23rd May 2018

# Annexure 'I' to the Board's Report

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18:

| 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 2017- 18(a) | % Increase/ (Decrease) in Remuneration in the Financial Year 2017-18 |
|---------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| 1       | Mr. Kumar Mangalam Birla<br>Chairman and Non-Executive Director | 305.71                                                                                                            | 27.00                                                                |
| 2       | Mrs. Rajashree Birla<br>Non-Executive Director                  | 15.89                                                                                                             | 20.00                                                                |
| 3       | Mr. M. L. Apte<br>Independent Director                          | 9.63                                                                                                              | 60.00                                                                |
| 4       | Mr. B. V. Bhargava<br>Independent Director                      | 8.18                                                                                                              | 21.43                                                                |
| 5       | Mr. Cyril Shroff<br>Independent Director                        | 2.41                                                                                                              | 25.00                                                                |
| 6       | Mr. Arun Thiagarajan<br>Independent Director                    | 6.02                                                                                                              | 31.58                                                                |
| 7       | Dr. Thomas M. Connelly<br>Independent Director                  | 2.89                                                                                                              | 20.00                                                                |
| 8       | Mr. Om Prakash Rungta<br>Independent Director                   | 4.57                                                                                                              | 35.71                                                                |
| 9       | Mr. N. Mohan Raj<br>Non-Executive Director (payable to LIC)     | 2.65                                                                                                              | 10.00                                                                |
| 10      | Mr. Shailendra K. Jain<br>Non-Executive Director                | 3.13                                                                                                              | -35.00                                                               |
| 11      | Mr. Sushil Agarwal<br>Whole-time Director & CFO                 | 127.09                                                                                                            | 48.71                                                                |
| 12      | Mr. Dilip Gaur<br>Managing Director                             | 140.70                                                                                                            | 59.92                                                                |
| 13      | Mrs. Hutokshi Wadia<br>Company Secretary                        | 22.22                                                                                                             | 21.30                                                                |

- a. Remuneration to Non-Executive and Independent Directors includes commission payable for the year ended 31st March, 2018, which is subject to the approval of the Members of the Company. Sitting fee paid to Directors is excluded.
- b. During the financial year 2017-18, there was an increase of 3.42% over the previous financial year, in the Median remuneration of the employees.
- c. The calculation of percentage increase in the Median Remuneration is based on the comparable employees.
- d. There were 8,669 permanent employees on the rolls of the Company as on 31st March 2018.
- e. Average percentage increase made in the salaries of employees, other than the managerial personnel
- f. in the financial year 2017-18, was 10.15% 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 43.31% due to the better performance of the Company as compared to the previous financial year.
- 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, 23rd May 2018



# Management Discussion and Analysis

The Indian economy has registered a GDP growth of 6.7% YoY in FY 2017-18 as compared to 7.1% in FY 2016-17 slowing down due to transitionary impact of implementation of Goods and Services Tax, a historical tax reform in the country. The pace of economic growth witnessed an improvement towards the end of the year with Q4FY2017-18 recording GDP growth of 7.7% YoY. The Index of Industrial Production expanded by 4.3% YoY in FY 2017-18 driven by growth in the Electricity Sector (5.4% YoY) and Manufacturing Sector (4.5% YoY). During the year, public consumption expenditure recorded a growth of 10.9% and private consumption expenditure grew by 6.6 %.

In the backdrop of prevailing economic conditions, the Company has performed well, during the year, recording all-around growth in Revenue, EBITDA and PAT as detailed below.

The Company's financial performance for the year also includes performance of the businesses of erstwhile Aditya Birla Nuvo Ltd. (ABNL), for 9 months (1st July 2017 to 31st March 2018) consequent to the merger of ABNL with the Company with effect from 1st July 2017. Also, during the year, the Company has acquired right to Operate and Manage Century Rayon Division from Century Textiles and Industries Ltd., with effect from 1st February 2018.

## Business Performance Review:

### Viscose

The Viscose segment comprises of VSF and the VFY business of erstwhile Aditya Birla Nuvo (ABNL) and Century Textile and Industries. Grasim Industries acquired the right to Manage and Operate the VFY business of Century Textile Industries in H2FY18.

|                               | Unit        | FY 2017-18 | FY 2016-17 | % Change |
|-------------------------------|-------------|------------|------------|----------|
| <b>Standalone Performance</b> |             |            |            |          |
| Installed Capacity – VSF      | '000 TPA    | 498        | 498        | -        |
| Installed Capacity – VFY      | '000 TPA    | 46         | -          | -        |
| Production – VSF              | '000 Tonnes | 499        | 493        | 1        |
| Production – VFY              | '000 Tonnes | 19         | -          | -        |
| Sales Volumes – VSF           | '000 Tonnes | 508        | 500        | 2        |
| Sales Volumes – VFY           | '000 Tonnes | 19         | -          | -        |
| Divisional Revenue            | ₹ Crore     | 8,538      | 7,715      | 11       |
| EBITDA                        | ₹ Crore     | 1,680      | 1,439      | 17       |
| EBITDA Margin                 | %           | 20         | 19         | -        |

The Global VSF demand continues to grow at a solid pace of 6% per annum higher than the demand growth of competing fibres like cotton and polyester, which are expected to grow in the range of 1% to 2% per annum. The VSF demand in India is expected to grow ~8% per annum and outpace the global demand growth rate. The domestic demand growth for VSF has been at an inflexion points driven by demand in fast fashion, home textile, inner wear and other newer areas.

The attractive growth profile of VSF industry, globally, led to new capacity additions (upwards of 1MTPA) announcement by the industry players. In FY 2017-18, some of these capacities came on stream, and we expect ramping up of the same to take place in FY 2018-19 and FY 2019-20.

In FY 2017-18, the global VSF prices maintained a flattish trend while the global cotton and polyester prices witnessed an increase. The rise in global cotton prices was driven by multiple factors like strong US cotton exports, lower than expected India cotton crop, and depletion in China cotton reserve. The rise in the oil prices has led to a rise in polyester prices. The prices of key raw material like caustic soda, sulphur and other inputs which is key raw material for manufacturing of VSF, witnessed a sharp increase in FY 2017-18. Grasim is in a unique position compared to all global VSF players as it has backward integration to the tune of 80% of total cost comprising of key inputs (Pulp, Caustic Soda, Power, CS<sub>2</sub>) used for manufacturing.

**LIVA Tagging (Mn-Million)**

|      |      |
|------|------|
| AW17 | 17.6 |
| SS17 | 11.6 |
| AW16 | 8.6  |
| SS16 | 7.0  |
| AW15 | 2.1  |
| SS15 | 1.8  |

**Domestic Sales Volume (MT)**

|       |         |
|-------|---------|
| FY 18 | 379,722 |
| FY 17 | 342,436 |
| FY 16 | 312,238 |

The brand "LIVA", launched by Grasim in FY 2014-15, stands for high quality fabric made using natural cellulosic fibres of the Company delivered through accredited value chain. The usage of VSF in women's clothing has witnessed a steady rise. Grasim has partnered with 33 brands, amongst the top fashion brands in India, for sale of LIVA tagged apparels, which are available in more than 3,000 stores in India. The demand for LIVA tagged garments witnessed a sharp increase in SS18 to 26.3 mn.

**Outlook**

The VSF business will continue to focus on expanding the market in India by partnering with the textile value chain, achieving better customer connect through brand LIVA, and enriching the product mix through a larger share of specialty fibre. The Company is increasing capacity from 498 KT to 788 KT (by FY 2020-21) to cater to the growing demands of VSF in the domestic as well as export markets. The new capacities likely to come on stream in China may impact the global VSF prices in the near term.

**Chemicals**

|                          | Unit    | FY 2017-18 | FY 2016-17 | % Change |
|--------------------------|---------|------------|------------|----------|
| <b>Caustic Soda</b>      |         |            |            |          |
| Installed Capacity       | TPA     | 938        | 840        | 12       |
| Production               | TPA     | 886        | 780        | 14       |
| Sales Volume             | TPA     | 879        | 785        | 12       |
| <b>Chemical Business</b> |         |            |            |          |
| Divisional Revenue       | ₹ Crore | 5,105      | 4,180      | 22       |
| EBITDA                   | ₹ Crore | 1,300      | 842        | 54       |
| EBITDA Margin            | %       | 25         | 20         |          |

The demand for caustic soda witnessed a CAGR growth of 5% in the last 3 years driven by the demand from key user industry like Alumina, VSF and Textile. In India, the firmness in caustic soda price was driven by global factors. Chlorine prices were very weak due to oversupply in the market. The demand for chlorine, which is a by-product of caustic, witnessed signs of pick-up towards the fag end of FY 2017-18, creating a positive impact on the prices.

The chlorine Value-Added Products (VAP) consists of products like AlCl<sub>3</sub> and stable bleaching powder, where we have a global leadership. In India, we have a leadership position in CP (Chlro Parafin), PAC (Poly Aluminium Chloride) and PA (Phosphoric Acid). We are working with large city municipal communities to help them in finding solutions for sewage treatment using our chlorine VAPs. The business is focussed on expanding the existing chlorine VAPs portfolio and improving the level of chlorine integration.

In Epoxy resins also we have a leadership position in India. Our volumes have grown by 15% in FY 2017-18. Our customers include leading paint companies, wind mill manufacturers, electrical machinery manufacturers, etc. in India.

The improvement in Revenue and EBITDA reflects better realisation and the impact of consolidation of ABN's chemical business. The business witnessed a rise in the input cost of power and salt during FY 2017-18.

**Outlook**

The demand for caustic soda in India is expected to grow with rising consumption from the Alumina and Textile sectors. The demand-supply situation is well balanced for next couple of years with a limited visibility of large new capacity additions.

## INDO GULF FERTILISERS

India received a normal monsoon in FY 2017-18 with record food production. The global urea prices witnessed a firm trend during FY 2017-18. In other key development, the Direct Benefit Transfer (DBT) project initiated by the Department of Fertiliser was rolled out on pan India basis from 1st February, 2018.

Indo Gulf Fertilisers, manufactures of urea and value-added products, has positioned itself as a “total agri solutions provider” offering a full range of agri inputs – fertilisers, seeds, agro-chemicals and specialties – right from sowing till harvesting. “Birla Shaktiman” enjoys market leadership in the entire zone of Uttar Pradesh, Bihar, Jharkhand, Punjab, Haryana and West Bengal, being Indo Gulf's core markets, through excellent product quality and customer servicing.

The Fertiliser business achieved an EBITDA of ₹ 195 Cr. in FY 2017-18. This was despite a 9-day shut down and due to a focus on productivity, managing costs and higher sales of Value-Added Products.

Outstanding fertilisers subsidy was at ₹ 902 Cr. compared to ₹ 778 Cr. in the previous year, due to increase in Natural Gas Price on account of increase in crude price.

## Textiles

Grasim Textiles business has two key product lines, i.e., Linen and Wool. The linen industry registered moderate demand growth in FY 2017-18, after healthy growth of CAGR of 15% during FY 2007-08 to FY 2012-13. Indian wool combing units operated at higher capacity utilisation compared to European and Asian regions.

The Linen business expanded its Yarn capacity from 3,400 MTPA to 6,250 MTPA to tap sector growth. JST maintained its leadership in the market with 45% market share in linen fabric and 39% in linen yarn. For 9MFY2017-18, the textile business reported a revenue of ₹ 1,172 Cr. and EBITDA of ₹ 62 Cr.

The linen business added 28 new ‘Linen Club Fabrics’ EBOs, during FY 2017-18, to 172.

## Insulators

The power generation, transmission and distribution sector is the key growth driver for the insulators industry. Over the past couple of years, demand in domestic insulator market has been sluggish, primarily due to lack of investments. Additionally, increased acceptance of alternate technologies continues to adversely impact (both on volume and price) the domestic porcelain insulator industry, which is the core of our business.

The size of the Indian insulator market was unchanged from the previous year, but there was a change in market share mix between porcelain and composite. The share of porcelain dropped to 69% (FY 2017-18) from 72% (FY 2016-17), while the share of Composites grew to 31% (FY 2017-18) from 28% (FY 2016-17). The Revenue and EBITDA grew to ₹ 390 Cr. and ₹ 34 Cr., respectively for FY 2017-18.

## Outlook

In the medium term, the demand scenario is expected to improve driven by the Government initiatives like ‘Make in India’, ‘Power for All’ by 2019 initiatives and ‘UDAY’ scheme.

Globally too, the demand in the year remained subdued. However, while Composites continue to grow, Ceramic Insulators are making a comeback in many geographies, such as the United States of America and China.

## UltraTech Cement Ltd. (A Subsidiary of the Company)

The cement sector saw an impressive pickup at over 7.5%, ending a 7-year down cycle. UltraTech reported revenues of USD 5.01 Billion (₹ 32,305 Cr.) and EBITDA of USD 1.04 Billion (₹ 6,729 Cr.).

UltraTech successfully completed acquisition of the 21.2 MTPA capacity of Jaiprakash Associates Limited. The Company also commissioned a greenfield clinker capacity of 2.5 MTPA at Manawar, District - Dhar, Madhya Pradesh (M.P.), coupled with a cement grinding facility of 1.75 MTPA capacity. As at the year end, total consolidated capacity of the Company stands augmented at 89 MnMT per annum.

## Aditya Birla Capital Ltd. (ABCL a subsidiary of the Company)

ABCL was listed on the stock exchanges on 1st September 2017, as the culmination of the composite scheme of arrangement for merger of Aditya Birla Nuvo Limited with the Company, and subsequent demerger of the financial services undertaking into ABCL. ABCL has a significant presence spanning multiple sectors, namely, non-banking financial company (NBFC), asset management, life insurance, health insurance, housing finance, private equity, general insurance broking, wealth management, broking, online personal finance management and pension fund management.

ABCL reported a Revenue of ₹ 8,953 Cr. and PAT of ₹ 354.3 Cr. for the period from 1st July 2017 to 31st March 2018.

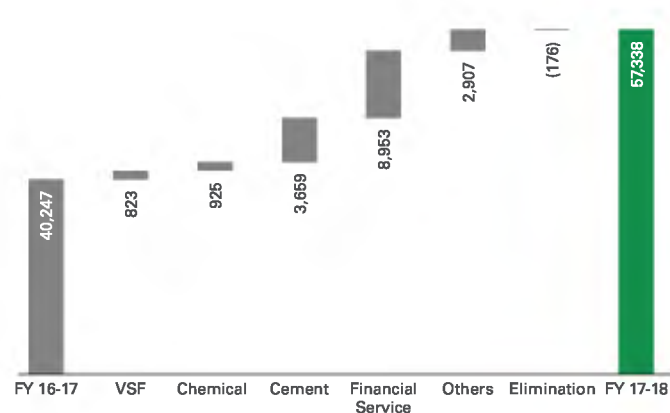
The NBFC lending book (including housing) grew 32% YoY to ₹ 51,378 Cr. as on 31st March 2018.

The Asset Management business (ranked No. 3 Mutual Fund in India) reported a 27% YoY increase in average assets under the management to ₹ 2,67,739 Cr. as on 31st March 2018. The business reported an overall domestic market share of 10.75% and equity market share of 9.2% FY 2018.

Life Insurance business saw a 12.4% growth in the Indian embedded value to ₹ 4,281 Cr. as on 31 March 2018. The net value of new business (VNB) margin turned positive at 4.3% in FY 2018 vis-à-vis negative 5.5% in FY 2017.

## Revenue from Operations

The Consolidated Revenues from operations increased to ₹ 57,338 Cr. in FY 2017-18 from ₹ 40,247 Cr. in FY 2016-17, driven by growth in Viscose, Chemicals, Cement businesses, and addition of Aditya Birla Capital and other businesses of Aditya Birla Nuvo Ltd. (ABNL) post-merger of ABNL with effect from 1st July, 2017.



## Other Income

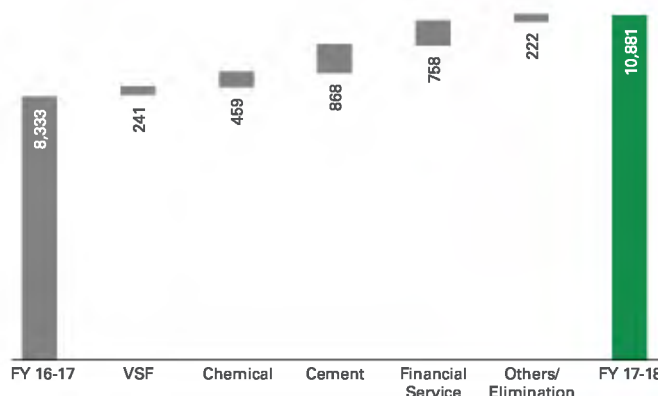
The other income marginally increased to ₹ 990 Cr. in FY 2017-18 compared to ₹ 948 Cr. in FY 2016-17.

## Operating Profit (EBITDA)

The rise in the EBITDA from ₹ 8,333 Cr. (FY 2016-17) to ₹ 10,881 Cr. (FY 2017-18) was driven by the Viscose, Chemicals, Cement businesses and addition of Financial Services businesses to Grasim's fold.

## Finance Costs

The Finance Cost moved up from ₹ 702 Cr. (FY 2016-17) to ₹ 1,359 Cr. (FY 2017-18), mainly due to higher borrowings by UltraTech during the year (Debt taken to acquire the JAL and JCCL Assets). At standalone level, the finance cost increased from ₹ 57.6 Cr. (FY 2016-17) to ₹ 128.13 Cr. (FY 2017-18) led by increase in the debt level, post-merger of ABNL with the Company.



At Consolidated level, the Company moved from net surplus (liquid investment) position of ₹ 2,438 Cr. in FY 2016-17 to Net debt level of ₹ 14,165 Cr. in FY 2017-18.

At Standalone level, the net surplus (liquid investment) stood at ₹ 384 Cr. in FY 2017-18 against ₹ 2,260 Cr. in FY 2016-17. The reduction in net surplus was on account of payment towards acquisition of right to operate and manage the VFY business of Century Textiles and Industries Ltd., debt of ABNL (with ABNL's merger with Grasim) and capital expenditure during the year.

## Depreciation

The Depreciation charge increased from ₹ 1,808 Cr. in FY 2016-17 to ₹ 2,724 Cr. in FY 2017-18 on account of acquisition of assets and capitalisation of new plant in cement business and depreciation of ABNL businesses.

## Tax Expenses

The total Tax Expenses increased from ₹ 1,707 Cr. in FY 2016-17 to ₹ 1,947 Cr. in FY 2017-18.

## Profit after Tax (PAT)

The Profit after Tax (Before Exceptional items of ₹ 433 Cr.) for the year was at ₹ 2,991 Cr. in FY 2017-18 compared to ₹ 3,167 Cr. in FY 2016-17. The reduction in PAT is mainly on account of share in loss of Idea Cellular Ltd. amounting to ₹ 652 Cr.

## Standalone Financial Performance

The Revenues are up 43% to ₹ 16,035 Cr. in FY 2017-18 from ₹ 11,253 Cr. (FY 2016-17) on the back of strong YoY growth reported by the Viscose and Chemicals businesses and merger of ABNL with the Company, with effect from 1st July, 2017. The Revenues of Viscose business are up 11% YoY to ₹ 8,538 Cr. in FY 2017-18 from ₹ 7,715 Cr. in FY 2016-17 driven by better realisation and marginal improvement in the sales volume. The Chemicals business reported a



Revenue growth of 22% to ₹ 5,105 Cr. in FY 2017-18 from ₹ 4,180 Cr. in FY 2016-17.

Standalone EBITDA rose by 35% to ₹ 3,542 Cr. in FY 2017-18 from ₹ 2,629 Cr. in FY 2016-17 led by solid EBITDA growth reported in the Chemical and VSF businesses. The Reported PAT increased by 13% YoY to ₹ 1,769 Cr. in FY 2017-18 (after inclusion of an Exceptional Item of ₹ 273 Cr.) from ₹ 1,560 Cr. (FY 2016-17).

### Sources of Cash

Cash generated from operations during the year was at ₹ 2,635 Cr.

| Particulars                                                      | (₹ in Crore)<br>FY 2017-18 |
|------------------------------------------------------------------|----------------------------|
| <b>Sources of Cash</b>                                           |                            |
| Cash from Operations                                             | 2,635                      |
| Non-Operating Cash Flow                                          | 90                         |
| Proceeds from Issues of Share Capital                            | 2                          |
| Proceeds from Sale of Investment                                 | 13                         |
| Proceeds of Borrowings (Net of Repayment)                        | 94                         |
| Interest Received                                                | 55                         |
| Dividend Received                                                | 227                        |
|                                                                  | <b>3,117</b>               |
| <b>Usage of Cash</b>                                             |                            |
| Net Capital Expenditure                                          | 1,069                      |
| Acquisition of Century Rayon Business                            | 903                        |
| Increase in Working Capital                                      | 280                        |
| Increase in Investments                                          | 338                        |
| Interest (Net of Interest Subsidy)                               | 142                        |
| Dividend (Incl. DDT)                                             | 406                        |
|                                                                  | <b>3,138</b>               |
| <b>Net Decrease in Cash and Cash Equivalents</b>                 | <b>-20</b>                 |
| <b>Cash and Cash Equivalents at the Beginning of the Year</b>    | <b>35</b>                  |
| <b>Cash and Cash Equivalents Transferred from erstwhile ABNL</b> | <b>12</b>                  |
| <b>Cash and Cash Equivalents at the End of the Year</b>          | <b>26</b>                  |

### Dividend and Interest Income

Your Company received Dividend of ₹ 227 Cr. in FY 2017-18 and Interest income of ₹ 55 Cr.

### Uses of Cash

#### Capital Expenditure

The Company's net capital expenditure stood at ₹ 1,972 Cr. in FY 2017-18. This amount includes the capex spent in VSF and Chemicals businesses and amount paid towards acquisition of right to Operate and Manage VFY business of Century Textiles and Industries Ltd.

#### Working Capital

The working capital increased by an amount of ₹ 280 Cr. with the consolidation of erstwhile ABNL businesses.

#### Dividend

Cash outflow on account of dividend for the FY 2016-17 was ₹ 406 Cr. (inclusive of the corporate tax on dividend).

## Your Company has identified the following risks:

| Key Risk                                       | Impact on Grasim                                                                                                                                                                                                                                                                                        | Mitigation Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commodity Price Volatility Risk                | Fluctuation in prices of key raw materials, energy inputs and finished goods may adversely impact profitability                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>• Securing the supplies of the key raw material in the Viscose Business by setting up captive caustic soda and pulp plants</li> <li>• Securing the supplies of key raw material (Salt) for Chemicals business by improvising on the sourcing mix between captive and third party</li> <li>• Minimising our reliance on grid/energy exchange by setting up of captive power plants in all businesses and long-term tie-ups</li> <li>• Optimising the fuel mix and energy efficiency as well as explore alternative fuels for use in the plant for Cement business</li> <li>• Increasing share of value-added products in Viscose, Chemical and Cement businesses</li> <li>• Cost reduction and higher efficiency</li> </ul>                                                                   |
| Availability of Natural Resources-based Inputs | <p>Scarcity of coal driven by high consumption in key user industries may increase the prices</p> <p>Non-availability of limestone may impact the growth plans of Cement business in long term</p> <p>Scarcity of water may impact business operations in Viscose, Chemicals and Textile Businesses</p> | <ul style="list-style-type: none"> <li>• 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</li> <li>• Entering into long-term contracts, securing coal supplies at competitive prices</li> <li>• Higher share of petcoke/alternative fuels in cement business</li> <li>• Cement business currently possesses sufficient limestone reserve. Apart from preservation and elongation of existing reserves, a range of measures, including strategic sourcing and changing input mix, are adopted by the business</li> <li>• Creating new reservoirs near to the plant location</li> <li>• Reduction in the fresh water consumption</li> <li>• Water recycling and Zero liquid discharge</li> </ul> |
| Global capacity additions in the VSF business  | Impact on demand and realisation of VSF                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• Increasing focus on domestic sales to maintain the leadership position</li> <li>• Newer product applications</li> <li>• Continuous focus on R&amp;D</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Human Resources Risk                           | Attrition and non-availability of the required talent resources can affect the performance of the Company                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>• Continuous benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent</li> <li>• Regular review, monitoring and engagement on personal development plans of high performers and high potential employees</li> <li>• Ring-fencing critical talent</li> <li>• Proactive action to strengthen technical and other functional bench strength by mapping internal/external talent market and accelerated hiring</li> <li>• Focussed talent development</li> </ul>                                                                                                                                                                                                                                                  |

| Key Risk                                           | Impact on Grasim                                                                                                                                                                                                                                                                        | Mitigation Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Competition Risk                                   | <p>VSF and Chemicals are global commodities, therefore they are exposed to any change in the competition intensity in the global market space</p> <p>With expanding capacity of existing players and emergence of new entrants, competition is a sustained risk for Cement business</p> | <ul style="list-style-type: none"> <li>Continuous efforts to enhance the brand image of the Company by focussing on R&amp;D, quality, cost, timely delivery and customer service</li> <li>Increasing level of customer engagement</li> <li>Customer connect initiatives to reach out end users (such as Liva brand for VSF)</li> <li>Strategic initiatives to enhance brand equity through enhanced marketing activities and continuous efforts in enhancing the product portfolio, and value-adding services have been the thrust areas of your Company</li> </ul>                        |
| Financial Risk                                     | The risk of exposure to interest rates, foreign exchange rates, liquidity condition, etc.                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>Robust financial risk management framework which covers hedging policy, investment guideline, funding mix (long-term &amp; short-term and local currency and foreign currency mix)</li> <li>Your Company's policies to counter such risks are reviewed periodically and aligned with the financial market practices and regulations</li> <li>The risks are covered in details in the Notes to the Financial statements. (Note 4.10)</li> </ul>                                                                                                      |
| Information Technology Risk                        | Risks related to Information Technology systems; data integrity and physical assets                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Your Company uses back-up procedures and stores information at two different locations. Systems are upgraded regularly with latest security standards. For critical applications, security policies and procedures are updated on a periodic basis and users educated on adherence to the policies so as to eliminate data leakages</li> </ul>                                                                                                                                                                                                      |
| Environmental and other Regulatory Risks           | Any default can attract penal provisions and may impact the Company reputation                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Adherence to current norms is being ensured</li> <li>Technology/equipment upgradation is being planned pro-actively</li> <li>Continuous monitoring of regulatory changes to ensure compliance with all applicable statutes and regulations</li> </ul>                                                                                                                                                                                                                                                                                               |
| Industrial Safety, Employee Health and Safety Risk | The manufacturing businesses of the Company are labour-intensive and are exposed to health and injury risk due to machinery breakdown, human negligence, etc. Chemicals business has exposure to risks arising from producing and handling of hazardous chemicals                       | <ul style="list-style-type: none"> <li>Association with M/s. DuPont Safety Resources to build a culture of safety and strengthen your Company's Safety Management System in Chemicals and Cement Businesses</li> <li>Development and implementation of critical safety standards across the Units and Project sites, establishing processes for training need identification at each level of employee, introduction of 'Life Saving Rules'</li> <li>Continuous focus on building of safety culture across Units covering entire workforce</li> <li>Adequate Insurance Coverage</li> </ul> |

Financial Risks are covered in the Financial Statements. (Refer Note 4.10)

## INTERNAL CONTROL SYSTEMS

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

## CONCLUSION

The VSF business will continue to focus on expanding the market in India by partnering with the textile value chain,

achieving better customer connect through brand Liva and enriching the product mix through a larger share of specialty fibre. The focus on cost optimisation will continue relentlessly.

The capacity de-bottlenecking at multiple plant locations is progressing well, with 44 KTPA of capacity coming on-stream in May 2018. The recently announced brownfield capacity expansion plan at Vilayat is under implementation. With capacity expansions underway and focus on expanding market in India, the VSF business is poised for substantial growth.

The demand for Caustic Soda in India is expected to grow with rising consumption from the Alumina and Textile sectors. The capacity expansion nearing completion at different plants of the Company will lead to growth in the business.

In Cement, Government spending on infrastructure, rural and affordable housing will be the key demand drivers. The Company is well positioned across the country to cater to this growth in demand.

In Financial Services, ABCL is geared to provide Universal Financial Solutions to meet the customers money needs for life. ABCL's focussed customer-centric approach under a single brand "Aditya Birla Capital" will enable it to chart a differentiated, accelerated and disciplined path to growth.



# Report on Corporate Governance as on 31<sup>st</sup> March 2018

## I. GRASIM'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

## II. BOARD OF DIRECTORS

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

As on 31st March 2018, your Company's Board comprises of 12 Directors, of which 6 are Independent Directors, 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 Board of Directors of the Company as on 31<sup>st</sup> March 2018 are as under:

| Name of the Directors              | Executive/<br>Non-Executive/<br>Independent <sup>1</sup> | No. of Equity<br>Shares Held | Directorships<br>in other<br>Companies <sup>2</sup> | Membership of Committees<br>of other Companies <sup>3</sup> |          |
|------------------------------------|----------------------------------------------------------|------------------------------|-----------------------------------------------------|-------------------------------------------------------------|----------|
|                                    |                                                          |                              |                                                     | Member                                                      | Chairman |
| Mr. Kumar Mangalam Birla, Chairman | Non-Executive                                            | 1,26,713 <sup>4</sup>        | 8                                                   | -                                                           | -        |
| Mrs. Rajashree Birla               | Non-Executive                                            | 5,52,850                     | 6                                                   | -                                                           | -        |
| Mr. M. L. Apte                     | Independent                                              | 650                          | 6                                                   | 6                                                           | 1        |
| Mr. B. V. Bhargava                 | Independent                                              | 2,000                        | 3                                                   | 1                                                           | 1        |
| Dr. Thomas Martin Connelly Jr.     | Independent                                              | -                            | -                                                   | -                                                           | -        |
| Mr. Cyril Shroff                   | Independent                                              | 685                          | -                                                   | -                                                           | -        |
| Mr. O. P. Rungta                   | Independent                                              | 1,135                        | -                                                   | -                                                           | -        |
| Mr. Arun Thiagarajan               | Independent                                              | 1,475                        | 5                                                   | 2                                                           | 4        |
| Mr. Shailendra K. Jain             | Non-Executive                                            | 65,430                       | 2                                                   | 1                                                           | -        |
| Mr. N. Mohan Raj                   | Non-Executive<br>Director                                | 500                          | -                                                   | -                                                           | -        |
| Mr. Dilip Gaur                     | Managing Director                                        | -                            | -                                                   | -                                                           | -        |
| Mr. Sushil Agarwal                 | Whole-time<br>Director and CFO                           | 34,622                       | 4                                                   | 4                                                           | -        |

1. Independent Director are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act.

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

3. Includes only Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of the Listing Regulations.

4. Including the Equity Shares held by HUF.

5. No Director is related to any other Director on the Board, except for Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are related as son and mother respectively.

6. None of the Directors (i) holds Directorship in more than ten public limited companies and (ii) is a member of more than ten committees, or chairperson of more than five committees across all the public companies in which he/she is a Director.

The brief profile of the present Directors on the Board is available on the website of your Company, [www.grasim.com](http://www.grasim.com).

### Role of the Board of Directors

Your Company's Board of Directors plays a primary role in ensuring good governance, in smooth functioning of the Company and in the creation of shareholder value. The Board's role, functions, responsibility and accountability are clearly defined. As the Board's primary role is fiduciary in nature, it is responsible for ensuring that the Company runs on sound ethical business practices and that the resources of the Company are utilised in a manner so as to create sustainable growth and value for the Company's shareholders and the other stakeholders, and also to fulfil the aspirations of the society and the communities in which it operates.

The Board has complete access to any information within your Company. As a part of its function, your Board periodically reviews all the relevant information, which is required to be placed before it, pursuant to the Listing Regulations, and, in particular,

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

### Board Meetings

During the year under review, the Board met 6 times on 19th May, 2017, 8th July, 2017, 14th August, 2017, 14th November, 2017, 12th December, 2017 and 14th February, 2018. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days. Video conference facility is also used to facilitate the Directors travelling/residing abroad or at other locations to participate in the meeting.

Details of attendance of Directors at the Board Meetings and last Annual General Meeting (AGM) held during the FY 2017-18 are as under:

| Name of the Directors          | Number of Board Meetings Attended in FY 2017-18 | Attended Last AGM Held on 22nd September, 2017 |
|--------------------------------|-------------------------------------------------|------------------------------------------------|
| Mr. Kumar Mangalam Birla       | 3                                               | No                                             |
| Mrs. Rajashree Birla           | 2                                               | No                                             |
| Mr. M. L. Apte                 | 6                                               | No                                             |
| Mr. B. V. Bhargava             | 5                                               | Yes                                            |
| Dr. Thomas Martin Connelly Jr. | 6                                               | No                                             |
| Mr. Cyril Shroff               | 2                                               | No                                             |
| Mr. O. P. Rungta               | 6                                               | Yes                                            |
| Mr. Arun Thiagarajan           | 3                                               | Yes                                            |
| Mr. Shailendra K. Jain         | 6                                               | Yes                                            |
| Mr. N. Mohan Raj               | 5                                               | Yes                                            |
| Mr. Dilip Gaur                 | 6                                               | Yes                                            |
| Mr. Sushil Agarwal             | 5                                               | Yes                                            |

### Meetings of Independent Directors

Separate meetings of Independent Directors of the Company were held on 2nd May, 2017 and 14th February, 2018, without the presence of members of the Management, to discuss evaluation of the performance of Non-Independent Directors, of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the Management and the

Board, that is necessary for the Board to effectively and reasonably perform its duties. The suggestions made by the Independent Directors were discussed at the Board meeting and are being implemented.

### Code of Conduct

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

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

### 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. In terms of the Listing Regulations, the terms and conditions of appointment of Independent Directors are placed on the website of the Company, viz., [www.grasim.com](http://www.grasim.com). 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 Directors of the Company, are available on the Company's website, [www.grasim.com](http://www.grasim.com).

### 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, effective decision making and role of the Committees.

### 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. The Code aims at preventing misuse of unpublished price-sensitive information. All Directors, Designated Employees and Connected Persons of your Company are covered under the Insider Trading Code and, *inter alia*, provide periodical disclosures, and obtain pre-clearance for trading in securities of your Company.

## III. COMMITTEE OF THE BOARD

### A. AUDIT COMMITTEE

#### Composition and Attendance during the Year

The Audit Committee of the Board comprises of 3 Non-Executive Independent Directors and 1 Executive Director. The members of the Audit Committee are financially literate and have accounting or related financial management expertise. The composition of the Audit Committee complies with the requirements of the Act and the Listing Regulations.

During the year under review, 6 Audit Committee Meetings were held on 19th May, 2017, 14th August, 2017, 14th November, 2017, 27th November, 2017, 12th December, 2017 and 14th February, 2018.

The composition, attendance and the meetings are given below:

| Name of the Members            | Categories                  | No. of Meetings |          |
|--------------------------------|-----------------------------|-----------------|----------|
|                                |                             | Held            | Attended |
| Mr. Arun Thiagarajan, Chairman | Non-Executive – Independent | 6               | 4        |
| Mr. B. V. Bhargava             | Non-Executive – Independent | 6               | 5        |
| Mr. M. L. Apte                 | Non-Executive – Independent | 6               | 6        |
| Mr. Dilip Gaur <sup>1</sup>    | Managing Director           | 6               | 6        |

1. Appointed as member of the Committee w.e.f. 12th December, 2017.

The Whole-time Director and Chief Financial Officer is a permanent invitee 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.

The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee, as on the date of last AGM, was present at the last AGM of the Company held on 22nd September, 2017.

The Audit Committee acts as link between the Management, the Statutory and Internal Auditor and the Board. The Audit Committee monitors and effectively supervises your Company's financial reporting process with a view to provide accurate, timely and proper disclosure, and maintains the integrity and quality of financial reporting.

The Audit Committee also reviews from time to time, the audit and internal control procedures, the accounting policies of your Company, oversight of your Company's financial reporting process, so as to ensure that the financial statements are correct, sufficient and credible.

#### Brief Description of Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the Management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section (3) of Section 134 of the Act;
  - (b) changes, if any, in accounting policies and practices, and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgement by the Management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with the listing and other legal requirements relating to the financial statements;
  - (f) disclosure of any related party transactions; and
  - (g) modified opinion(s) in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the Auditors' independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the Audit Commence, about the nature and scope of audit as



well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer, after assessing the qualifications, experience and background, etc., of the candidate; and
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The Audit Committee mandatorily reviews the following information:**

- (1) Management Discussion and Analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
- (3) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- (4) Internal audit reports relating to internal control weaknesses;
- (5) The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
- (6) Statement of deviations:
  - a. quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Listing Regulation;
  - b. annual statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulation.

**Vigil Mechanism/Whistle Blower Policy**

Your 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](http://www.grasim.com). The Policy is in line with the Company's Code of Conduct, Vision and Values & forms part of good Corporate Governance.

**B. NOMINATION AND REMUNERATION COMMITTEE**

**Composition, Meetings, Attendance during the Year**

The Nomination and Remuneration Committee (NRC) comprises of 3 Non-Executive Directors, of which 2 are Independent Directors.

During the year under review, 5 NRC meetings were held on 19th May, 2017, 8th July, 2017, 14th November, 2017, 8th January, 2018 and 14th February, 2018.

The composition, attendance and meetings are given below:

| Name of the Members      | Categories    | No. of Meetings |          |
|--------------------------|---------------|-----------------|----------|
|                          |               | Held            | Attended |
| Mr. M. L. Apte, Chairman | Independent   | 5               | 5        |
| Mr. Cyril Shroff         | Independent   | 5               | 2        |
| Mr. Kumar Mangalam Birla | Non-Executive | 5               | 4        |

The Company Secretary acts as the Secretary to the NRC.

**Brief Description of Terms of Reference**

- (1) Formulate 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) Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (3) Devise a policy on diversity of the Board of Directors;
- (4) Identify 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) To consider whether to extend or continue the term of appointment of Independent Directors,

on the basis of the report of performance evaluation of Independent Directors;

- (6) Set the level and composition of remuneration, which is reasonable and sufficient to attract, retain and motivate Directors and Senior Management of the quality required to run the Company successfully;
- (7) Set the relationship of remuneration to performance;
- (8) Check whether the remuneration provided to Directors, Key Managerial Personnel and Senior Management includes a balance between fixed and incentives pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals; and
- (9) Review and implement succession plans for Managing Director, Executive Directors and Senior Management.

### Remuneration Policy

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

### Remuneration of Directors

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

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

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

In addition to the payment of sitting fees, the Company also pays commission to the Non-Executive/Independent Directors of the Company. The amount of the commission payable to the Non-Executive/Independent Directors is determined after assigning weightage to various factors, which *inter alia* include, providing strategic perspective, Chairmanship and

contributions made by the Directors other than in meetings, type of the meetings and responsibilities under various statutes, etc. For the financial year 2017-18, the Board has approved payment of ₹15 Crore as commission to the Non-Executive/Independent Directors.

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

(₹ in Lakh)

| Name of the Directors         | Commission <sup>1</sup> | Sitting Fees (for Board and its Committees) |
|-------------------------------|-------------------------|---------------------------------------------|
| Mr. Kumar Mangalam Birla      | 1,270.00                | 2.30                                        |
| Mrs. Rajashree Birla          | 66.00                   | 1.60                                        |
| Mr. M. L. Apte                | 40.00                   | 7.80                                        |
| Mr. B. V. Bhargava            | 34.00                   | 5.95                                        |
| Mr. Cyril Shroff              | 10.00                   | 1.40                                        |
| Mr. N. Mohan Raj <sup>2</sup> | 11.00                   | 2.70                                        |
| Dr. Thomas M. Connelly, Jr.   | 12.00                   | 3.00                                        |
| Mr. O. P. Rungta              | 19.00                   | 3.70                                        |
| Mr. Shailendra K. Jain        | 13.00                   | 3.60                                        |
| Mr. Arun Thiagarajan          | 25.00                   | 3.20                                        |
| Mr. Dilip Gaur                | -                       | Nil                                         |
| Mr. Sushil Agarwal            | -                       | Nil                                         |
| <b>Total</b>                  | <b>1,500.00</b>         | <b>35.25</b>                                |

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.

### Notes:

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

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

(₹ in Lakh)

| Executive Directors                              | Salary, Benefits, Bonus, Pension, etc., Paid during the Year | Performance-linked Incentive Paid during the Year <sup>1</sup> | Service Contract, Notice Period and Severance Fee <sup>2</sup> | Stock Option Details, if any |
|--------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|------------------------------|
| Mr. Dilip Gaur (Managing Director)               | 403.39                                                       | 181.13                                                         | –                                                              | See Note 3                   |
| Mr. Sushil Agarwal (Whole-time Director and CFO) | 400.18                                                       | 127.80                                                         | –                                                              | See Note 4                   |

- The Board has approved payment of performance-linked variable pay for the FY 2016-17 as aforesaid to the Managing Director and Whole-time Director on achievement of the targets.
- The Managing Director's and the Whole-time Director and CFO's appointment may be terminated by three months' notice in writing, on either side, and no severance fees are to be paid to the Directors of the Company.
- Pursuant to the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited with Grasim Industries Limited and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited), and their respective shareholders and creditors (Scheme), 17,564 Stock Options and 12,743 Restricted Stock Units (RSUs) have been granted to Mr. Sushil Agarwal under Company's Employee Stock Options Scheme-2013.
- During the year, in terms of the Company's ESOP Scheme 201, 7,610 Stock Options have vested in Mr. Dilip Gaur.
- During the year, in terms of the Company's ESOP Scheme 2013, 30,440 Stock Options have vested in Mr. Sushil Agarwal.

### Employee Stock Options Scheme

#### a. ESOS-2006

During the year under review, NRC of the Board of Directors vested 10,660 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 28,640 Equity Shares of ₹ 2/- of your Company to Options Grantees, pursuant to the exercise of the Stock Options under ESOS-2006.

#### b. ESOS-2013

Pursuant to the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited (ABNL) with Grasim Industries Limited (Grasim) and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited (ABCL)), and their respective shareholders and creditors (Scheme), during the year under review, the Company granted 1,08,168 Stock Options and 49,064 RSUs to the eligible employees of erstwhile ABNL, including Whole-time Director and CFO of the Company. Each Option/RSU entitles the holder to apply for and to be allotted one Equity Share of ₹ 2/- each of the Company upon payment of the exercise price during the exercisable period. The exercisable period commenced from the date of vesting of the options and expires at the end of 5 years from the date of such vesting.

During the year under review, the NRC of the Board of Directors vested 2,28,857 Stock Options and 21,624 RSUs 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 43,020 Equity Shares of ₹ 2/- of your Company to Stock Options and RSUs Grantees, pursuant to the exercise of the Stock Options and RSUs under ESOS-2013.

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

#### Composition, Meetings 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 27th November, 2017 and 30th March, 2018.

The composition, attendance and meetings are given below:

| Name of the Members          | Categories                  | No. of Meetings |          |
|------------------------------|-----------------------------|-----------------|----------|
|                              |                             | Held            | Attended |
| Mr. B. V. Bhargava, Chairman | Independent                 | 2               | 2        |
| Mr. Cyril Shroff             | Independent                 | 2               | 0        |
| Mr. M. L. Apte               | Independent                 | 2               | 2        |
| Mr. Sushil Agarwal           | Whole-time Director and CFO | 2               | 2        |

The Company Secretary acts as Secretary to the Committee, and is the Compliance Officer.

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

#### Role

The Committee looks into:

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

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

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

#### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

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, 3 CSR Committee meetings were held on 20th April, 2017, 23rd February, 2018 and 30th March, 2018.

| Name of the Members               | Categories        | No. of Meetings |          |
|-----------------------------------|-------------------|-----------------|----------|
|                                   |                   | Held            | Attended |
| Mrs. Rajashree Birla, Chairperson | Non-Executive     | 3               | 3        |
| Mr. B. V. Bhargava                | Independent       | 3               | 3        |
| Mr. Shailendra K. Jain            | Non-Executive     | 3               | 3        |
| Mr. Dilip Gaur                    | Managing Director | 3               | 3        |

The 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.

The Board Report, and Management Discussion and Analysis set out the risks out identified and mitigation plans thereof.

During the year under review, the Risk Management Committee meeting was held on 14th July, 2017.

The composition of the Risk Management Committee and the details of the meeting attended by the Members is given below:

| Name of the Members          | Categories        | No. of Meetings |          |
|------------------------------|-------------------|-----------------|----------|
|                              |                   | Held            | Attended |
| Mr. B. V. Bhargava, Chairman | Independent       | 1               | -        |
| Mr. Arun Thiagarajan         | Independent       | 1               | 1        |
| Mr. M. L. Apte               | Independent       | 1               | 1        |
| Mr. Dilip Gaur               | Managing Director | 1               | -        |



| Name of the Members     | Categories                                    | No. of Meetings |          |
|-------------------------|-----------------------------------------------|-----------------|----------|
|                         |                                               | Held            | Attended |
| Mr. Sushil Agarwal      | Whole-time Director and CFO                   | 1               | -        |
| Mr. H. K. Agarwal       | Chief Operating Officer – Fibre Business      | 1               | 1        |
| Mr. E. R. Raj Narayanan | Group Executive President – Chemical Business | 1               | 1        |
| Mr. Thomas Varghese     | Business Head – Textiles                      | 1               | -        |

#### F. FINANCE COMMITTEE

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

##### Brief Description of Terms of Reference

- To avail fund-based and non-fund-based facilities from the Bank(s)/Financial Institution(s), upto the limits fixed by the Board;
- To approve opening and operation of Bank Accounts;
- To approve execution of Power of Attorneys, and other agreements and documents;
- To approve signing of routine agreements and to authorise officers of the Company to take such steps as may be required in this regard.

##### Composition and Attendance during the Year

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

During the year under review, 5 Finance Committee meetings were held on 19th May, 2017, 23rd June, 2017, 27th November, 2017, 17th January, 2018 and 8th March, 2018.

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

| Name of the Members          | Categories                  | No. of Meetings |          |
|------------------------------|-----------------------------|-----------------|----------|
|                              |                             | Held            | Attended |
| Mr. B. V. Bhargava, Chairman | Independent                 | 5               | 5        |
| Mr. M. L. Apte               | Independent                 | 5               | 5        |
| Mr. Sushil Agarwal           | Whole-time Director and CFO | 5               | 5        |

#### G. MERGER COMMITTEE

Your Company has constituted a Merger Committee of the Board of Directors to facilitate the implementation of the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited), and their respective shareholders and creditors. This Committee comprises of 3 Non-Executive, Independent Directors, and 2 Executive Director. During the year under review, the Merger Committee meetings was held on 20th June, 2017 and 21st June, 2017.

| Name of the Members      | Categories                  | No. of Meetings |          |
|--------------------------|-----------------------------|-----------------|----------|
|                          |                             | Held            | Attended |
| Mr. M. L. Apte, Chairman | Independent                 | 2               | 2        |
| Mr. Arun Thiagarajan     | Independent                 | 2               | 2        |
| Mr. O.P. Rungta          | Independent                 | 2               | 2        |
| Mr. Dilip Gaur           | Managing Director           | 2               | 2        |
| Mr. Sushil Agarwal       | Whole-time Director and CFO | 2               | 2        |

#### H. ALLOTMENT COMMITTEE

Your Company has constituted an Allotment Committee of the Board of Directors to facilitate the process of allotment of equity shares after sanction of the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited

(now known as Aditya Birla Capital Limited), and their respective shareholders and creditors by Hon'ble National Company Law Tribunal Bench at Ahmedabad to the shareholders of erstwhile Aditya Birla Nuvo Limited. This Committee comprises of 2 Independent Directors, and 1 Nominee Director. During the year under review, the Allotment Committee meeting was held on 9th July, 2017.

| Name of the Members         | Categories             | No. of Meetings |          |
|-----------------------------|------------------------|-----------------|----------|
|                             |                        | Held            | Attended |
| Mr. B.V. Bhargava, Chairman | Independent            | 1               | 1        |
| Mr. M.L. Apte               | Independent            | 1               | 1        |
| Mr. N. Mohan Raj            | Non-Executive Director | 1               | 1        |

#### I. GBTL DIVESTMENT COMMITTEE

Your Company has constituted a GBTL Divestment Committee of the Board of Directors, to facilitate divestment of its interest in Grasim Bhiwani Textiles Ltd. (GBTL) and to take such steps as may be necessary in this regard.

This Committee comprises of 4 Directors of the Company comprising 2 Non-Executive, Independent Directors, and 2 Executive Directors. During the

year under review, the GBTL Divestment Committee meeting was held on 10th July, 2017.

| Name of the Members       | Categories                  | No. of Meetings |          |
|---------------------------|-----------------------------|-----------------|----------|
|                           |                             | Held            | Attended |
| Mr. O.P. Rungta, Chairman | Independent                 | 1               | 1        |
| Mr. M.L. Apte             | Independent                 | 1               | -        |
| Mr. Dilip Gaur            | Managing Director           | 1               | 1        |
| Mr. Sushil Agarwal        | Whole-time Director and CFO | 1               | 1        |

#### IV. 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](http://www.grasim.com).

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

#### V. GENERAL BODY MEETINGS

##### Details of the General Meetings

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

| Financial Year/<br>Type of Meetings       | Date and Time                      | Location                                       | Particulars of Special Resolution                                                                                                                                                                                                                                                                                           |
|-------------------------------------------|------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2014-15<br>68th Annual<br>General Meeting | 19th September, 2015<br>11.30 a.m. | Birlagram,<br>Nagda - 456331<br>Madhya Pradesh | <ul style="list-style-type: none"> <li>Approval for issue of Non-Convertible Debentures on private placement basis</li> <li>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</li> </ul> |
| 2015-16<br>Court Convened<br>Meeting      | 10th June, 2015<br>11.30 a.m.      | Birlagram,<br>Nagda - 456331<br>Madhya Pradesh | <ul style="list-style-type: none"> <li>Resolution passed for amalgamation of Aditya Birla Chemicals (India) Ltd. with Grasim Industries Limited</li> </ul>                                                                                                                                                                  |
| 2015-16<br>69th Annual<br>General Meeting | 23rd September, 2016<br>11.30 a.m. | Birlagram,<br>Nagda - 456331<br>Madhya Pradesh | <ul style="list-style-type: none"> <li>Payment of Commission to Non-Executive Directors of the Company</li> <li>Issuance of Non-Convertible Debentures on private placement basis</li> <li>Alteration of Articles of Association of the Company</li> </ul>                                                                  |

| Financial Year/<br>Type of Meetings         | Date and Time                      | Location                                       | Particulars of Special Resolution                                                                                                                                                                                                                                                                                      |
|---------------------------------------------|------------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2016-17<br>Extraordinary<br>General Meeting | 10th October, 2016<br>11.30 a.m.   | Birlagram,<br>Nagda - 456331<br>Madhya Pradesh | <ul style="list-style-type: none"> <li>• Increase in limit for investment in the equity share capital of the Company by Registered Foreign Portfolio Investors including Foreign Institutional Investors</li> </ul>                                                                                                    |
| 2016-17<br>Extraordinary<br>General Meeting | 3rd March, 2017<br>11.00 a.m.      | Birlagram,<br>Nagda - 456331<br>Madhya Pradesh | <ul style="list-style-type: none"> <li>• Increase in limit for investment in the equity share capital of the Company by Registered Foreign Portfolio Investors including Foreign Institutional Investors</li> </ul>                                                                                                    |
| 2017-18<br>NCLT Convened<br>Meeting         | 6th April, 2017<br>11.00 a.m.      | Birlagram,<br>Nagda - 456331<br>Madhya Pradesh | <ul style="list-style-type: none"> <li>• Resolution passed for the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited), and their respective shareholders and creditors</li> </ul> |
| 2016-17<br>70th Annual<br>General Meeting   | 22nd September, 2017<br>11.00 a.m. | Birlagram,<br>Nagda - 456331<br>Madhya Pradesh | <ul style="list-style-type: none"> <li>• Issuance of Non-Convertible Debentures on private placement basis</li> <li>• Alteration of Articles of Association of the Company</li> </ul>                                                                                                                                  |

## POSTAL BALLOT

No resolution has been passed by your Company during the year ended 31st March, 2018, by Postal Ballot.

## VI. MEANS OF COMMUNICATION

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

- Quarterly results:

- Results are normally published in:

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

- Results are displayed on our websites, [www.grasim.com](http://www.grasim.com) and [www.adityabirla.com](http://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.

## VII. 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 material transactions with any related party, as defined under the Act and the Listing Regulations, 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. The policy on Related Party Transactions, as approved by the Audit Committee and the Board is available on your Company's website, [www.grasim.com](http://www.grasim.com).

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

The Company has complied with all the provisions of Listing Regulations as well as regulations and guidelines of Securities and Exchange Board of India (SEBI). There have been no instances of

non-compliance by the Company on any matters related to capital markets during the last 3 years and, hence, no penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.

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

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

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

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

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

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

**(vi) Status of Compliance of Non-Mandatory Requirement**

a. The 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. During the year under review, there is no audit qualification on the Financial Statements of the Company.

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

d. The Internal Auditors have direct access to the Audit Committee, and its representative participates in the Audit Committee of the Board of Directors of the Company and presents Internal Audit observations to the Audit Committee.

## VIII. 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.

## IX. COMPLIANCES

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

(ii) Certificate from the Statutory Auditors, confirming compliance with all the conditions of Corporate Governance as stipulated in Listing Regulations, is given as Annexure '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, 23rd May 2018



## 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, 2018.

Mumbai  
23rd May 2018

**Dilip Gaur**  
Managing Director  
[DIN: 02071393]

## CEO/CFO CERTIFICATION

**The Board of Directors**  
Grasim Industries Limited

We certify that:

- (a) We have reviewed the Financial Statements read with the Cash Flow Statement of Grasim Industries Limited (the Company) for the year 31st March 2018, 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 are responsible 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 the financial reporting. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors, 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, if any, 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 other employees having a significant role in the Company's internal control system over financial reporting.

For Grasim Industries Limited

Place: Mumbai  
Date: 23rd May 2018

**Dilip Gaur**  
Managing Director  
[DIN: 02071393]

**Sushil Agarwal**  
Whole-time Director & CFO  
[DIN: 00060017]

## **Independent Auditors' Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Members of

**Grasim Industries Limited**  
Birlagram, Nagda – 456 331,  
Ujjain, Madhya Pradesh

1. The accompanying Corporate Governance Report prepared by Grasim Industries Limited (hereinafter "the Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria'), with respect to the Corporate Governance for the year ended 31st March, 2018. This report is required by the Company for annual submission to the Stock Exchanges, and to be sent to the Shareholders of the Company.

### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform audits and reviews of historical financial information, and other assurance and related services engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t. Executive and Non-Executive Directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on 31st March, 2018, and verified that at least one Woman Director was on the Board during the year;

- iv. Obtained and read the minutes of the following committee meetings held through the period from 1st April, 2017 to 31st March, 2018:
  - (a) Board of Directors Meeting;
  - (b) Audit Committee;
  - (c) Annual General Meeting;
  - (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Corporate Social Responsibility Committee;
  - (g) Risk Management Committee;
  - (h) Independent Directors Meeting;
- v. Obtained necessary representations and declarations from Directors of the Company including the Independent Directors; and
- vi. Performed necessary inquiries with the Management, and also obtained necessary specific representations from the Management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2018, referred to in paragraph 1 above.

### Other Matters and Restriction on Use

9. This Report 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.
10. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to the compliance with the relevant regulations of the Corporate Governance, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

**Akeel Master**  
Partner  
Membership No.: 046768

Mumbai  
23rd May 2018

For **S R B C & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 324982E/E300003

**Vijay Maniar**  
Partner  
Membership No.: 36738

Mumbai  
23rd May 2018

# Shareholder Information

## 1. Annual General Meeting

- Date and Time : Friday, 14th September, 2018 at 11.00 a.m.
- Venue : 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
- Financial reporting for the quarter ending 30th June, 2018 : On or before 14th August, 2018
- Financial reporting for the quarter/half-year ending 30th September, 2018 : On or before 14th November, 2018
- Financial reporting for the quarter ending 31st December, 2018 : On or before 14th February, 2019
- Financial reporting for the quarter/year ending 31st March, 2019 : May 2019
- 72nd Annual General Meeting for the year ending 31st March, 2019 : End of August 2019

## 3. Dates of Book Closure

- : Tuesday, 4th September 2018 to Friday, 14th September, 2018 (both days inclusive)

## 4. Dividend Payment Date

- : On or after 17th September, 2018

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

## 7. Corporate ID Number (CIN)

- : L17124MP1947PLC000410

## 8. Listing Details

### a. Listing on Stock Exchanges:

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

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



- (b) **Name and Address of Trustees for the Wholesale Debt Market (WDM), segment of BSE**  
**Debentureholders Debenture Trustee:** IDBI Trusteeship Services Limited  
 (for 31st Series Debentures)  
 Asian Building, Ground Floor  
 17, R. Kamani Marg, Ballard Estate,  
 Mumbai - 400001  
 Tel.: 91 022 40807000; Fax: 91 022 40807080  
 E-mail: itsl@idbitrustee.com
- (c) **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
- (d) **Domestic Custodian of GDRs:** Citibank N.A.  
 Custody Services  
 FIFC, 11th Floor, C 54 & 55, Bandra – Kurla Complex  
 Bandra (East), Mumbai - 400 051  
 Tel.: 91-22-61757110; Fax: 91-22-26532205

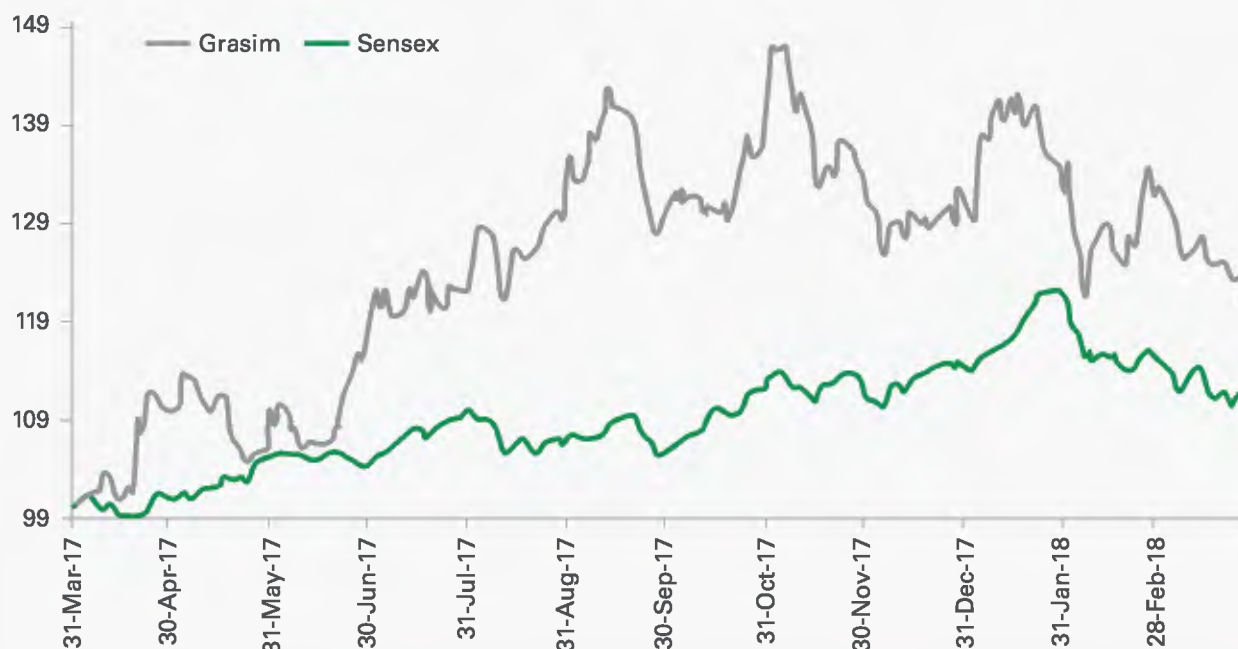
## 9. Stock Code:

|                           | 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 | INE047A01021                        | -       | -         |
| ISIN No. of GDRs          | US3887061030<br>CUSIP No. 388706103 |         |           |

## 10. Market Price Data:

| Month  | BSE      |          |          |                      | NSE      |          |          |                      | LSE       |       |       |
|--------|----------|----------|----------|----------------------|----------|----------|----------|----------------------|-----------|-------|-------|
|        | High     | Low      | Close    | No. of Shares Traded | High     | Low      | Close    | No. of Shares Traded | High      | Low   | Close |
|        | (In ₹)   |          |          | (In Nos.)            | (In ₹)   |          |          | (In Nos.)            | (In US\$) |       |       |
| Apr-17 | 1,193.05 | 1,045.10 | 1,153.50 | 592,791              | 1,198.90 | 1,045.10 | 1,155.05 | 19,584,150           | 18.23     | 15.99 | 17.76 |
| May-17 | 1,236.60 | 1,083.80 | 1,157.25 | 2,020,613            | 1,218.00 | 1,083.45 | 1,155.05 | 34,346,721           | 18.51     | 15.84 | 17.76 |
| Jun-17 | 1,266.75 | 1,092.40 | 1,240.65 | 870,785              | 1,267.00 | 1,091.60 | 1,242.10 | 25,787,235           | 19.05     | 16.33 | 19.04 |
| Jul-17 | 1,331.75 | 1,013.00 | 1,068.80 | 5,479,357            | 1,375.00 | 1,012.15 | 1,070.25 | 41,683,868           | 20.19     | 16.16 | 16.48 |
| Aug-17 | 1,199.00 | 1,043.45 | 1,192.80 | 1,189,599            | 1,200.00 | 1,039.50 | 1,195.20 | 21,699,695           | 18.67     | 16.38 | 18.66 |
| Sep-17 | 1,274.00 | 1,103.75 | 1,133.40 | 1,868,575            | 1,276.45 | 1,101.10 | 1,133.95 | 31,491,884           | 19.64     | 16.98 | 17.37 |
| Oct-17 | 1,235.95 | 1,087.00 | 1,227.65 | 796,329              | 1,236.20 | 1,121.80 | 1,227.10 | 11,236,179           | 19.01     | 14.50 | 18.93 |
| Nov-17 | 1,299.90 | 1,151.00 | 1,170.20 | 2,583,410            | 1,300.00 | 1,155.05 | 1,169.90 | 16,807,007           | 19.98     | 17.74 | 18.15 |
| Dec-17 | 1,175.00 | 1,091.45 | 1,164.05 | 2,415,650            | 1,177.00 | 1,090.00 | 1,165.75 | 13,420,284           | 18.23     | 16.99 | 18.23 |
| Jan-18 | 1,258.40 | 1,124.55 | 1,157.30 | 2,484,460            | 1,261.10 | 1,124.10 | 1,160.05 | 16,597,236           | 19.70     | 17.80 | 18.20 |
| Feb-18 | 1,201.00 | 999.00   | 1,152.45 | 975,841              | 1,201.65 | 1,027.20 | 1,152.70 | 14,567,502           | 18.70     | 16.40 | 17.70 |
| Mar-18 | 1,186.95 | 1,029.75 | 1,054.10 | 623,991              | 1,187.00 | 1,040.65 | 1,050.90 | 23,427,933           | 18.10     | 16.20 | 16.20 |

## 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 %)

| (In Percentage) | 1 Year | 3 Years | 5 Years |
|-----------------|--------|---------|---------|
| GRASIM          | 20.09% | 73.88%  | 123.89% |
| BSE Sensex      | 11.30% | 17.92%  | 75.03%  |
| NSE Nifty       | 10.25% | 19.11%  | 77.98%  |

Annualised Returns (In %)

| (In Percentage) | 1 Year | 3 Years | 5 Years |
|-----------------|--------|---------|---------|
| GRASIM          | 20.09% | 20.25%  | 17.49%  |
| BSE Sensex      | 11.30% | 5.65%   | 11.85%  |
| NSE Nifty       | 10.25% | 6.00%   | 12.22%  |

## 13. Registrar and Transfer Agents:

(For share transfers and other communications relating to share certificates, dividend 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 6716222; Fax: 040 23001153  
 E-mail ID: grasim.ris@karvy.com  
 E-mail ID for Investor Complaints:  
 grasimshares@adityabirla.com

## 14. Share Transfer System:

96.57% 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 may be sent at the office of Karvy Computershare Pvt. Ltd., the Registrar and Transfer Agent 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. Officers of the Company have been authorised to approve transfers upto 500 shares in physical form under one transfer deed. One Director jointly with one Officer of the Company have been authorised to approve the transfers not exceeding 2,500 shares of ₹ 2/- each under one transfer deed. The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The RTA attends to investor grievances in consultation with the Secretarial Department of the Company.

#### Details of Share Transfer during the Financial Year 2017-18

| Transfer Period (in Days) | No. of Transfers | No. of Shares  | %             | Cumulative Total % |
|---------------------------|------------------|----------------|---------------|--------------------|
| 1 – 5                     | 569              | 93,531         | 62.73         | 62.73              |
| 6 -15                     | 338              | 39,689         | 37.27         | 100.00             |
| <b>Total</b>              | <b>907</b>       | <b>133,220</b> | <b>100.00</b> | <b>100.00</b>      |

Number of pending share transfers as at 31st March, 2018 – NIL

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, 2018:

| Nature of Complaints (relating to)                                | 2017-18   |           |
|-------------------------------------------------------------------|-----------|-----------|
|                                                                   | Received  | Cleared   |
| Opening Pending Complaints                                        | -         | -         |
| Transfer, Transmission, Duplicate Shares, Change of Address, etc. | 40        | 40        |
| Annual Report                                                     | 12        | 12        |
| Dividend                                                          | 4         | 4         |
| <b>TOTAL</b>                                                      | <b>56</b> | <b>56</b> |

### 16. Distribution of Shareholding as on 31st March, 2018:

| No. of Equity Shares Held | No. of Shareholders | % of Shareholders | No. of Shares Held | % Shareholding |
|---------------------------|---------------------|-------------------|--------------------|----------------|
| 1 – 100                   | 140,749             | 60.95             | 4,537,526          | 0.69           |
| 101 – 200                 | 35,234              | 15.26             | 5,387,230          | 0.82           |
| 201 – 500                 | 30,918              | 13.39             | 9,994,906          | 1.52           |
| 501 – 1000                | 11,881              | 5.15              | 8,482,206          | 1.29           |
| 1001 – 5000               | 10,051              | 4.35              | 20,134,264         | 3.06           |
| 5001 – 10000              | 1,006               | 0.44              | 6,932,281          | 1.05           |
| 10001 & above             | 1,088               | 0.47              | 601,903,022        | 91.56          |
| <b>Total</b>              | <b>230,926</b>      | <b>100</b>        | <b>657,371,435</b> | <b>100</b>     |

### 17. Categories of Shareholding as on 31st March, 2018:

| Categories                                                | No. of Shareholders | % of Shareholders | No. of Shares Held | % of Shareholding |
|-----------------------------------------------------------|---------------------|-------------------|--------------------|-------------------|
| Promoters and Promoter Group*                             | 28                  | 0.01              | 263,605,860        | 40.10             |
| Mutual Fund and Alternate Investment Fund                 | 57                  | 0.02              | 34,185,460         | 5.20              |
| Banks, Financial Institutions and Insurance Companies     | 99                  | 0.04              | 48,692,509         | 7.41              |
| FII's                                                     | 569                 | 0.25              | 180,303,770        | 27.43             |
| GDRs                                                      | 1                   | 0.00              | 21,385,478         | 3.25              |
| NRIs/OCBs/Foreign Nationals                               | 7,772               | 3.37              | 17,419,991         | 2.65              |
| Central Government/State Government(s)/President of India | 2                   | 0.00              | 7,906              | 0.00              |

| Categories                                                            | No. of Shareholders | % of Shareholders | No. of Shares Held | % of Shareholding |
|-----------------------------------------------------------------------|---------------------|-------------------|--------------------|-------------------|
| Bodies Corporate/Trust/Clering Member/ Pvt. Insurance Comp/IEPF, etc. | 2,056               | 0.89              | 30,931,755         | 4.71              |
| Individuals                                                           | 220,342             | 95.42             | 60,838,706         | 9.25              |
| <b>Total</b>                                                          | <b>230,926</b>      | <b>100.00</b>     | <b>657,371,435</b> | <b>100.00</b>     |

\*Includes 24,011,520 GDRs held by Promoters/Promoter Group

## 18. Dematerialisation of Shares and Liquidity:

96.57% of the outstanding Equity (including 6.91% of capital in the form of Global Depository Receipts) has been dematerialised as on 31st March, 2018. Trading in the shares of your Company is permitted only in dematerialised form.

|                                                   |   |               |
|---------------------------------------------------|---|---------------|
| • National Securities Depository Ltd. (NSDL)      | : | 94.71%        |
| • Central Depository Services (India) Ltd. (CDSL) | : | 1.86%         |
| <b>Total</b>                                      |   | <b>96.57%</b> |

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

No public funds have been obtained in the last three years.

## 20. Outstanding GDRs/Warrants and Convertible Bonds:

45,396,998\* GDRs (Previous Year 48,534,477) are outstanding as on 31st March, 2018. Each GDR represents one underlying equity share. There are no warrants/convertible bonds outstanding as at the year-end.

\*representing the adjusted number post sub-division of equity shares of the Company.

## 21. Commodity price risk or foreign exchange risk and hedging activities:

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

## 22. Secretarial Audit:

- Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates have been issued, on a half-yearly basis, by a Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in Practice carries out quarterly reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL and CDSL, and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in demat form (held with NSDL and CDSL). The said certificate is submitted quarterly to stock exchanges, NSDL and CDSL, and is also placed before the Board of Directors.
- Pursuant to Section 204 of the Companies Act, 2013, M/s. BNP & Associates, Practising Company Secretaries, have conducted a Secretarial Audit of the Company for the financial year 2017-18. 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 2018-19.



## 23. Corporate Office and Plant Locations

### Corporate Office:

| Name             | Address                                                                | Phone Nos.              | Fax Nos.                |
|------------------|------------------------------------------------------------------------|-------------------------|-------------------------|
| Corporate Office | A-2, Aditya Birla Centre,<br>S.K. Ahire Marg, Worli,<br>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,<br>Madhya Pradesh                                                                            | (07366) 246760-66 | (07366) 244114/246024             |
| Harihar Polyfibres and<br>Grasilene Divisions | Harihar, Dist. Haveri<br>Kumarapatnam-581 123,<br>Karnataka                                                            | (08373) 242171-75 | (08373) 242875,<br>(08192) 247555 |
| Birla Cellulosic Division                     | Birladham, Kharach,<br>Kosamba-394 120,<br>Dist. Bharuch, Gujarat                                                      | (02646) 270001-05 | (02646) 270010, 270310            |
| Grasim Cellulosic<br>Division                 | Plot No. 1, GIDC,<br>Vilayat Industrial Estate<br>P.O. Vilayat, Taluka: Vagra,<br>District: Bharuch-392 012<br>Gujarat | (02642) 291214    | -                                 |

#### Chemical Plants:

|                             |                                                                                                                          |                                          |                                   |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------|
| Grasim Chemical<br>Division | Birlagram<br>Nagda-456 331,<br>Madhya Pradesh                                                                            | (07366) 246760-66                        | (07366) 246176, 245845,<br>246097 |
| Grasim Chemical<br>Division | Plot No. 1, GIDC,<br>Vilayat Industrial Estate,<br>P.O. Vilayat, Taluka: Vagra,<br>District: Bharuch-392 012,<br>Gujarat | 08347008059                              | -                                 |
| Grasim Chemical<br>Division | Garhwa Road, P.O. Rehla,<br>Palamau, Jharkhand<br>822 124                                                                | (06584) 262221, Phone:<br>(06584) 262211 | 06584-221205                      |
| Grasim Chemical<br>Division | P.O. : Binaga – 581 307,<br>Karwar<br>District: Uttara Kannada<br>Karnataka                                              | (08382) 230514, 230174,<br>230178        | (08382) 230468                    |
| Grasim Chemical<br>Division | P.O. Renukoot- 231217<br>Dist: Sonebhadra, U.P.                                                                          | (05446) 252044, 252055,<br>252075        | (05446) 253378                    |
| Grasim Chemical<br>Division | P.O. : Jayshree-761025<br>Ganjam (Odisha)                                                                                | (06811) 254319<br>(06811) 254336         | (06811) 254384                    |

**Epoxy Plant:**

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

**Textile Plants:**

|                     |                                                                               |                   |                |
|---------------------|-------------------------------------------------------------------------------|-------------------|----------------|
| Vikram Woollens     | GH I to IV, Ghironghi,<br>Malanpur-477 117,<br>Dist. Bhind,<br>Madhya Pradesh | (07539) 283602-03 | (07539) 283339 |
| Jaya Shree Textiles | P.O. Prabhas Nagar - 712 249<br>Dist. Hooghly, West Bengal                    | (033) 26001200    | –              |

**Viscose Filament Yarn Plants:**

|                       |                                                            |                        |                |
|-----------------------|------------------------------------------------------------|------------------------|----------------|
| Indian Rayon Compound | Veraval - 362 266, Gujarat                                 | (02876) 245711, 248401 | –              |
| Century Rayon         | Murbad Road,<br>Shahad-421103, Dist. Thane,<br>Maharashtra | (0251) 2733670-79      | (0251) 2730064 |

**Insulator Plants:**

|                                    |                                                                      |                |   |
|------------------------------------|----------------------------------------------------------------------|----------------|---|
| Aditya Birla Insulators,<br>Rishra | P.O. Prabhas Nagar, Rishra,<br>Dist. Hooghly-712 249,<br>West Bengal | (033) 26723535 | – |
| Aditya Birla Insulators,<br>Halol  | P.O. Meghasar, Taluka, Halol<br>Panchmahal,<br>Gujarat – 389 330     | (02676) 221002 |   |

**Fertiliser Plant:**

|                            |                                                                                                         |                   |   |
|----------------------------|---------------------------------------------------------------------------------------------------------|-------------------|---|
| Grasim Fertiliser Division | Indo Gulf Fertilisers<br>P.O. Jagdishpur Industrial<br>Area<br>Dist. Amethi – 227 817,<br>Uttar Pradesh | (05361) 270032-38 | – |
|----------------------------|---------------------------------------------------------------------------------------------------------|-------------------|---|

**24. Investor Correspondence**

For Secretarial Matters and Investor Grievances : Karvy Computershare Private Limited

**Registrar & Transfer Agents (RTA)**

Karvy Selenium Tower B, Plot No. 31 - 32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500 032

Tel.: (040) 6716222

Fax: (040) 23001153

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* (₹) |
|----------------|---------------------|-------------------------|
| 2007-08        | 02.08.2008          | 6.00                    |
| 2008-09        | 08.08.2009          | 6.00                    |
| 2009-10        | 20.08.2010          | 6.00                    |
| 2010-11        | 17.09.2011          | 4.00                    |
| 2011-12        | 07.09.2012          | 4.50                    |
| 2012-13        | 19.08.2013          | 4.50                    |
| 2013-14        | 06.09.2014          | 4.20                    |
| 2014-15        | 19.09.2015          | 3.60                    |
| 2015-16        | 23.09.2016          | 4.50                    |
| 2016-17        | 22.09.2017          | 5.50                    |

\*Per Equity Share of ₹ 2/- each.

## 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 Share Department of the Company. In case no response is received from the Company within 30 days of lodgement of transfer request, the lodger should immediately write to the Company/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/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), member(s), 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 Share Department of the Company/RTA by sending a written request through any mode, including e-mail, on [grasim.shareproservices.com](mailto:grasim.shareproservices.com).

#### Change of Address and Furnishing of Bank Details

Shareholders holding shares in physical form should notify to the 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 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 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 original or certified copy of FIR/Acknowledged copy of Police Complaint along with a self-attested copy of their PAN card.

#### Correspondence with the Company

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

All correspondences regarding physical shares should be addressed ONLY to the RTA at the address mentioned above and not at any other office(s) of the Company, including the Corporate Finance Division.

Shareholders can send such correspondence, which do not require signature verification for processing, through E-mail on [grasim.shareproservices.com](mailto:grasim.shareproservices.com).

#### Non-Resident Shareholders

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

- Indian address for sending all communications, if not provided so far;

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

#### Unclaimed Shares/Dividend

Pursuant to Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, shares in respect of such dividends, which have not been claimed for a period of 7 consecutive years, are also liable to be transferred to the demat account of the IEPF Authority.

The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated 13th October, 2017, read with the circular dated 16th October, 2017, wherein it was provided that where the period of 7 consecutive years, as above, was completed or being completed during the period from 7th September, 2016 to 31st October, 2017, the due date of transfer for such shares was 31st October, 2017.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers, and the details of unclaimed dividends and shareholders, whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website.

In light of the aforesaid provisions, the Company has, during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company, erstwhile Aditya Birla Nuvo Limited and Aditya Birla Chemicals (India) Limited (since amalgamated with the Company). Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.



Unpaid and unclaimed dividend upto the year ended 31st March, 2010, 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, 2011, or any subsequent years, are requested to make their claims to the Share Department at the Registered Office of the Company at Nagda.

The details of unpaid/unclaimed dividend for the 2010-11 onwards are as under:

| Year      | Due Date of Transfer      |                                                 |                                     |
|-----------|---------------------------|-------------------------------------------------|-------------------------------------|
|           | Grasim Industries Limited | Erstwhile Aditya Birla Chemical (India) Limited | Erstwhile Aditya Birla Nuvo Limited |
| 2010 - 11 | 24th October, 2018        | 7th September, 2018                             | 5th October, 2018                   |
| 2011 - 12 | 14th October, 2019        | 7th September, 2019                             | 8th September, 2019                 |
| 2012 - 13 | 23rd September, 2020      | 9th October, 2020                               | 13th October, 2020                  |
| 2013 - 14 | 13th October, 2021        | 28th October, 2021                              | 10th October, 2021                  |
| 2014 - 15 | 26th October, 2022        | 31st October, 2022                              | 14th October, 2022                  |
| 2015 - 16 | 30th October, 2023        | -                                               | 26th September, 2023                |
| 2016 - 17 | 29th October, 2024        | -                                               | -                                   |

#### Payment of Dividend through Electronic Mode

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

**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 dividend, vide electronic mode, viz.:**

- Prompt credit of dividend amount directly into your bank account as there will be no mailing or handling delays in receiving the physical dividend warrant;
- Avoids loss/misplacement of physical dividend warrant in postal transit;
- 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, 2017             | 8,326 shareholders holding 645,291 equity shares of the Company |
| Number of shareholders who approached issuer for transfer of shares from suspense account during the year                   | 21 shareholders holding 4,450 equity shares of the Company      |
| Number of shareholders to whom shares were transferred from suspense account during the year                                | 21 shareholders holding 4,450 equity shares of the Company      |
| Number of shareholders whose shares were transferred to IEPF account pursuant to the MCA Circular dated 5th September, 2016 | 6,217 shareholders holding 378,836 equity shares                |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31st March, 2018            | 2,071 shareholders holding 239,425 equity shares of the Company |

The voting rights on the shares in the suspense account as on 31st March, 2018, shall remain frozen till the rightful owners of such shares claim the shares.

**Transfer of Shares in Physical Form**

With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth amendment) Regulations, 2018, on 8th June, 2018, to permit transfer of listed securities only in the dematerialised form with depository. In view of the above and the inherent benefits of holding securities in electronic form, we request the shareholders holding shares in physical form to opt for dematerialised.

**Company's Website**

You are requested to visit the Company's website, [www.grasim.com/www.adityabirla.com](http://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 Report, 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 Report, Auditors' Report, 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](mailto:grasimshares@adityabirla.com) or by logging on to the Company's website, [www.grasim.com](http://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](http://www.grasim.com)/[www.adityabirla.com](http://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 Share Department or send us an e-mail at [grasimshares@adityabirla.com](mailto:grasimshares@adityabirla.com). Upon receipt of a request from you, physical copy shall be provided free of cost.

**Feedback:**

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

**Link for Green Initiative:**

[https://www.grasim.com/investors/green\\_intiative/green\\_initiative\\_corporate\\_governance.aspx](https://www.grasim.com/investors/green_intiative/green_initiative_corporate_governance.aspx)

# Sustainability & Business Responsibility Report

## Building Sustainable Businesses at the Aditya Birla Group:

At the Aditya Birla Group, we endeavour to become the leading Indian conglomerate for sustainable business practices across our global operations. We define a "Sustainable Business" as one that can continue to survive and thrive within the growing needs and tightening legal and resource constraints of a "Sustainable World". We believe that this means that as we go forward towards the constrained operating environments of 2030 and 2050 that for a continued "Sustainable World" it can increasingly only contain "Sustainable Businesses".

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

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

The first step of our programme to build sustainable businesses is focused on increasing the capability of our business management systems. Under this programme called "Responsible Stewardship" we try to move from merely complying with current legal standards to conforming to the international standards set by the global bodies of the International Finance Corporation (IFC), the Organisation for Economic Cooperation and Development (OECD), the International Standards Organisation (ISO), Occupational Health and Safety Advisory Services (OHSAS), the Global Reporting Initiative (GRI), the Forestry Stewardship Council and others. To support our businesses in this endeavour, we have created the Aditya Birla Group's Sustainable Business Framework of Policies, Technical Standards, and Guidance Notes to give our leaders, managers, employees and contract employees the chance to train, learn, understand, and apply

improvement techniques to help our businesses reach higher standards of performance. Our Group Sustainable Business Framework is currently certified to 14 international standards (<http://sustainability.adityabirla.com/>) So far, we have had much success with respect to reductions in accidents, energy use, water use, and have implemented our first Biodiversity plans. Our programme to achieve the World Business Council for Sustainable Development's Water and Sanitation and Hygiene pledge (WASH) to ensure that we provide safe drinking water, sanitation and hygiene in all our operations has resulted in our building over 600 new bathrooms, many for women and differently abled people. Each of these achievements helps reduce and mitigate our impact on the planet and are imperative to building the sustainable business platform for our future.

If we are to create fully sustainable business models and systems for the future then "Responsible Stewardship" by itself is not enough. We need other components to help us with a greater transformation. We need to understand the global mega-trends and their effect on us; geographically, physically, technologically and how the legal system (including regulations and tax) will need to change in order to motivate business to create a sustainable world. Our performance will need to be improved further to meet the changes needed to mitigate and adapt to these External Factors. By talking to our Strategic Stakeholders knowledgeable in these issues, we can scan the horizon to better understand their likely risk to our business. With this information, we enhance our business models, strategies and risk profiles in order to "Future Proof" them and our value chains in the medium to long term. Since only "Sustainable" business can exist in a Sustainable World then a Sustainable Value Chain can also only contain these businesses and so it becomes imperative to map our value chains to look for vulnerabilities. Our goal is to create not only Sustainable Businesses but also Sustainable Value Chains of which we can be a key member. We are helping our leaders to understand which external changes might heavily influence our value chains and business models in the future and what might be expected of our products and brands. For example, the world will need businesses that are able to mitigate and adapt to climate change, with robust and sustainable supply chains that are also impervious to all external forces that will inevitably begin to affect us in the future. To build sustainable businesses will take time, particularly when we consider some of our very complex value chains but by pushing to be a leader today, we are giving our businesses the best possible chance of achieving long-term success not only for ourselves but also for our value chains and hence for our planet.



At Grasim ("the Company"), we are committed to align the business strategy with the Aditya Birla Group's sustainability vision. We have developed an Environment Management Program with the novel two-pronged approach of Environment Protection and Resource Conservation. Sustainability matrix is developed by Vilayat Unit for CO<sub>2</sub> emission/ton of product (VSF) as per GRI guidelines and uploaded in Enablon Matrix for data compilation, availability, tracking and comparison with other units of Pulp and Fibre business on monthly basis.

## Safety

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

## Resource Management

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

The Company believes that resource conservation and pollution prevention go hand in hand. In this direction, we have always emphasised on minimising waste generation at source itself. Across its operations, the Company does not import or export waste, which has

been deemed hazardous under Basel Convention. Alternative materials like fly ash, Chemical Gypsum and slag, which help in conserving natural raw materials, are used for cement production. Harihar Unit generates Biogas from waste liquor, which is used to replace fossil fuel and down size the carbon footprint of the mill. Karwar Unit of the Company has succeeded in pilot plant trial of utilizing the ETP sludge of Phosphoric acid plant in making fertiliser. Renukoot Unit has commissioned the latest 6th generation Electrolyser for manufacturing of Caustic Soda Lye, resulting in reduction of nearly 100 Units per ton of caustic.

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

## Ambient Air quality

The Company monitors and ensures the emissions and discharge under control through Online Continuous ambient air quality monitoring, emission monitoring and discharge monitoring of SPM, Sox and NO<sub>x</sub> installed along. Data are linked with DCS system for continuous monitoring and available at control room. Efficient Air Pollution Control Equipment are installed at all emission sources, and the stack and ambient air quality is well within the prescribed limits.

## Water conservation

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

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

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

# Business Responsibility Report

## Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company : L17124MP1947PLC000410
2. Name of the Company : GRASIM INDUSTRIES LIMITED
3. Registered Address : BIRLAGRAM, NAGDA 456331 (M.P.)
4. Website : www.grasim.com
5. E-mail ID : grasim.brr@adityabirla.com
6. Financial Year Reported : 1st April 2017 to 31st March 2018
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                                           |
| Yarn        | 203                      | 2030  | 20303     | Rayon Viscose Filament Yarn & Tyre Yarn                                                                    |
| 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 |
| Fertilizers | 201                      | 2012  | 20121     | Manufacture of Urea and other Fertilizers                                                                  |
| Insulators  | 239                      | 2393  | 23934     | Manufacture of Insulators                                                                                  |

8. List three key products/services that the Company manufactures/provides (as in the Balance Sheet) :
  - i) Viscose Staple Fibre
  - ii) Rayon Grade Pulp
  - iii) Caustic Soda & allied Chemicals/ECU (Electro Chemical Unit)
9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations : On standalone basis, Grasim does not have any manufacturing Unit outside India
  - ii. Number of National Locations : 20
10. Markets served by the Company – Local/ State/National/International : 
 

| Local | State | National | International |
|-------|-------|----------|---------------|
| ✓     | ✓     | ✓        | ✓             |

## Section B: Financial Details of the Company

1. Paid up Capital (INR) : ₹ 131.48 crore
2. Total Turnover (INR) : ₹ 16034.71 crore
3. Total Profit After Taxes (INR) : ₹ 1768.66 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%) : The total spending on Corporate Social Responsibility (CSR) is ₹ 29.84 crore (2.70%) of the average net profit of the Company for 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 Environment

### Section C: Other Details

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

### Section D: BR Information

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

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

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

##### b) Details of the BR head

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

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

- P1** Business should conduct and govern themselves with Ethics, Transparency and Accountability. (Business Ethics)
- P2** Business should provide goods and services that are safe and contribute to sustainability throughout their life circle. (Product Responsibility)
- P3** Business should promote the well-being of all employees. (Wellbeing of Employees)
- P4** Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. (Stakeholder Engagement & 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                                                                                     | Not Applicable |    |    |    |    |    |    |    |    |
| 2.      | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles |                |    |    |    |    |    |    |    |    |
| 3.      | The Company does not have financial or manpower resources available for the task                                                  |                |    |    |    |    |    |    |    |    |
| 4.      | It is planned to be done within next 6 months                                                                                     |                |    |    |    |    |    |    |    |    |
| 5.      | It is planned to be done within the next 1 year                                                                                   |                |    |    |    |    |    |    |    |    |
| 6.      | Any other reason (please specify)                                                                                                 |                |    |    |    |    |    |    |    |    |



### 3. Governance related to BR

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

## Section E: Principle-wise Performance

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

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

The Company's governance structure guides it keeping in mind its core values of Integrity, Commitment, Passion, Seamlessness and Speed. The Corporate Principles and the Code of Conduct cover the Company and all its subsidiaries, and are applicable to all the employees of the Company and its subsidiaries.

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

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

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

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

The Company is a responsible corporate citizen and is committed to sustainable development and looks at ways to preserve the environment and manage resources responsibly. Company strategy is aligned with the Aditya Birla Group's Sustainability Vision & Framework. For its 3 major products i.e. Viscose Staple Fibre, Rayon Grade Pulp and Chemicals, the Company understands its obligations relating to social and environmental concerns, risks and opportunities associated with their manufacturing. Accordingly, the Company has devised

the manufacturing processes of these products and systems, factoring both social and environmental concerns. The emission control & effluent treatment measures have been incorporated at various stages to keep the emissions & effluents well within the environment norms. The Company has developed three-pronged approach of Environment Protection, Resource Conservation and Social Development. The plants of the Company have various certifications including Environmental Management System (ISO 14001), Occupational Health & Safety Assessment System (OHSAS 18001), Quality Management System (ISO 9001) and Social Accountability (SA 8000).

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 achieved reduction in consumption of water, raw materials and other resources through in-house innovations and replicated best practices across the units including reduction in generation of waste and emissions through continual and focused improvement projects. 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 showing improved results every passing year.

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

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

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

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

The 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.

All the incoming and outgoing materials are being transported strictly as per the RTO norms of the load carrying capacity and the Company has strong internal control and procedures in place to ensure that all products are transported in safe manner.

**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 3R hierarchy and follows Reduce, Recycle & Reuse Principle and implements at all its facilities. The Company has reduced the water consumption over the years. Also waste water recycling has been in place across all its locations. It recycles products and waste in the range of around 10% at its various locations.

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

1. Please indicate the total number of employees : 24286
2. Please indicate the total number of employees hired on temporary/ contractual/casual basis : 15522
3. Please indicate the number of permanent women employees : 218
4. Please indicate the number of permanent employees with disabilities : 93
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)

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?**

- (a) Permanent Employees
- (b) Permanent Women Employees
- (c) Casual/Temporary/ Contractual Employees
- (d) Employees with Disabilities

Continuous Process

Safety is of paramount importance to the Company. All employees of the Company are provided with safety training as part of the induction programme. The safety induction programme is also critical requirement for contract workforce before they are inducted into the system. The Company has a structured safety training agenda on an on-going basis to build a culture of safety across its workforce.

The Company believes in continual learning of its employees and has institutionalized a continual learning model for skill upgradation. The learning and development needs of management cadre employees are met through various training delivery mechanisms.

**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.

**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 regularly adopts new upcoming technologies and various initiatives to minimize carbon footprint and waste generation along with other initiatives for energy reduction by installation of VFDs, retrofitting, redesign processes, installation of energy efficient equipment's etc. The Company is also working towards natural resource management by water conservation through sewage treatment and rainwater harvesting measures with utmost commitment to restore the environment to its original pristine condition. All environmental issues related to water, air and wastes are addressed and suitable controls/initiatives/measures taken for protecting environment.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes. The Company follows a structured risk management approach which encompasses identifying potential risks, assessing their potential impact, mitigating them through taking timely action and continuous monitoring.

**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 including

- **Use of renewable energy** at Harihar Polyfibres by treating Prehydrolysate (PH) Liquor generated there by reducing pollution and produce biogas
- **Waste Heat Recovery** from all feasible sources through eco-viable technologies at all the manufacturing sites

**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:** Lyocell 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 are installed, better utilisation of waste heat from main plant as well as ancillary units is undertaken.

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

Please refer Annexure 'G' of the Board's Report of the Annual Report for energy conservation initiatives. The same is also available on Company's website [www.grasim.com](http://www.grasim.com)

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

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

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

No unresolved show cause/legal notices from CPCB/SPCB as on the end of the Financial Year.

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

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

The Company is a Member of

- a. Federation of Indian Chambers of Commerce and Industry.
- b. Associated Chambers of Commerce and Industry of India.
- c. Confederation of Indian Textile Industry
- d. Association of Man-Made Fibre Industry of India.
- e. National Safety Council.
- f. The Synthetics Rayon & Textile Export Promotion Council.
- g. Federation of Indian Export Organisation.
- h. Indian Merchant Chamber.
- i. Alkali Manufacturing Association of India.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if Yes specify the broad areas (Drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

Yes, the broad areas are Economic Reforms, Environment and Energy issues, and Water and Sustainable Business Principles.

**PRINCIPLE 8 - Businesses should support Inclusive Growth and Equitable Development**

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

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

1. Education
2. Health Care
3. Environment and Livelihood
4. Rural Development
5. Social Empowerment



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

The Company's social projects are carried on under the aegis of the Aditya Birla Centre for Community Initiatives and Rural Development. Collaborative partnerships are formed with the government, district authorities, village panchayats, NGOs and like-minded stakeholders. It also collaborates with District Authorities, Village Panchayats, NGOs and likeminded stakeholders for its CSR initiatives.

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 ₹ 29.84 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.

Few investigations are being conducted by the Competition Commission of India (CCI) against the Company for alleged abuse of dominance. One such investigation has already been stayed by the High Court. The Company believes that it has not indulged in any such activity and is responding to the queries of Director General of CCI in relation to other ongoing investigations.

Competition Commission of India (CCI) has penalised 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 a chemical product. All the companies, including the Company, have appealed against the decision of CCI and the matter is sub-judice before the Tribunal authorities, which has, in the interim, stayed the penalty. The Company believes that it has not indulged in any such activity and is defeding its case.

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. A strong culture of 'Customer First' being instilled across functions & beyond hierarchies, using various customer centricity projects pan-business.

# Social Report 2017-18

"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 corporate 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 266 villages and 52 urban slums. Our focus is on health care, education, sustainable livelihood, infrastructure and social reform.

-Mrs. Rajashree Birla  
Chairperson

Aditya Birla Centre for Community Initiatives and Rural Development

At Grasim, our CSR engagement is concentrated in Madhya Pradesh, Gujarat, Jharkhand, Uttar Pradesh, West Bengal, Karnataka and Odisha.

## Health Care

At your company managed hospitals at Nagda (MP), Rehla (Jharkhand), Veraval (Gujarat) and Jagdishpur (UP), we treated more than 2,66,356 patients. Furthermore, we reached out to 74,430 villagers in hinterland through our rural mobile medical van services.

At Harihar, Rehla, Indo Gulf, Indian Rayon, Jay Shree Textile & Vilayat, we organized eye camps in which 1,833 patients were operated for cataract. We also distributed spectacles to better the eyesight of senior citizens.

At the medical camps organized for the physically challenged in Harihar, 220 patients were provided with artificial limbs, which enabled them get back on their feet. Over two decades ago, we began this initiative. Up until now our work has enabled 3,379 persons become self-reliant, and they have integrated into the mainstream of society.

At Blood donation camps in Kharach, Vilayat, Karwar & Jay Shree Textile, we collected 575 units, which were donated to the blood bank.

At several medical camps organised for ailments, such as Bone & Mass Density, dental problems, 2,592 villagers

were examined and treated at Kharach, Harihar, Karwar & Indian Rayon. Patients whose ailments needed greater attention were referred to our hospitals. Given the growing interest in alternative treatments, we have linked up with the Government on Ayurvedic and Homeopathy as alternative therapies.

To generate awareness on Sexually Transmitted Diseases (STD), Reproductive Tract Infections (RTI) and AIDS among the rural and urban communities, camps for adolescent youth and sex workers were organized with on the spot testing facilities. These camps were held at Nagda, Vilayat, Indian Rayon & ABI Rishra where 3,747 people availed the services.

## Mother and Child Health Care

In collaboration with the District Health Department, 3,41,256 children were immunized against polio and 7,137 children for diphtheria, typhoid, measles & rubella at Harihar, Nagda, Kharach, Rehla, Vilayat, Rishra and Ganjam.

School health check-up camps were regularly organized in the village schools at Harihar, Kharach & Indian Rayon checking the wellness of 5,632 students.

As part of our Reproductive and Child Health Care programmes 8,722 women availed of the ante-natal, post-natal, mass immunization, nutrition and escort services for institutional delivery.

## Safe Drinking Water and Sanitation

This year, we have installed 2 Reverse Osmosis (RO) plants in Vilayat Bharuch, totalling 24 RO plants up until now. These provide safe drinking water to 33,000 villagers. Additionally, we have provided pipelines, water tanks and other channels to supply potable water.

Over 1,150 villagers have access to safe drinking water from 10 hand pumps, around the operational area in Rehla.

In our endeavours towards open defecation free villages, we have facilitated the construction of 1,240 individual toilets around Nagda, Vilayat, Rehla, Renukoot, Kharach and Harihar. We leveraged the Swachh Bharat Abhiyan. Alongside, we organized awareness camps in these villages to sensitize the villagers and school children on the use of sanitation facilities.

## Education

We enlisted 1,868 children – most of whom are first generation learners – in schools at Kharach, Vilayat, Indian Rayon, Indogulf and Nagda. Scholarships were awarded to 367 students.

The girl child is on our radar always. Given our linkages with the Kasturba Gandhi Balika Vidyalyayas (KGBV) – residential schools for girls, we enrolled 1,167 girls in the KGBVs and other Government schools around our manufacturing units. Focusing on the girl child, we offered a bouquet of interesting incentives such as computer education, education material support, career counselling, special day celebration, etc. We covered 13,369 children at Nagda, Harihar, Kharach, Rehla, Indian Rayon, Jay Shree Textile, ABI-Rishra and Vilayat.

At Harihar, we assisted to organise “Prathibha Karanji” a talent search program in schools, which attracted 718 students.

At Vilayat, we took 560 students of five rural schools from grade VI to VIII to Ahmadabad where they visited Gandhi Ashram, Science City & Kankaria Zoo. Our objective is to expose students to new scientific developments.

We provided 1,105 sets of tables and chairs in rural schools, with a 3,000 student population finding the classrooms much more conducive to learning at Harihar, Nagda, Renukoot, Indo Gulf, Karwar & Rishra.

## Sustainable Livelihood

### Agriculture

At Nagda, Rehla, Renukoot, Indian Rayon, Indo Gulf and Vilayat, we familiarised 4,589 farmers with innovation

cropping techniques, which was a fine learning experience. At Rehla, the Model farmer project has benefited 25 farmers. These projects were designed to promote sustainable agriculture with higher returns through better yield. We mobilised crop loans of ₹ 460.52 lakhs from Government.

Over 73,611 saplings of fruit bearing trees and forest species were planted during the year at Nagda, Vilayat, Rehla, Indian Rayon, Indo Gulf and Halol.

### Animal Husbandry

The immunization of 32,818 cattle at Harihar, Rehla, Vilayat, Nagda, Indian Rayon and Renukoot through veterinary camps went a long way in stoking farmer prosperity.

At Nagda, Vilayat & Indian Rayon, our cattle breed improvement project is being implemented in collaboration with NGOs. “Integrated Livestock Development Centres (ILDC)” have been established in the villages. The centre provides livestock breed improvement services to the surrounding 62 villages.

The main activities comprise of green fodder demonstration, vaccination, dry fodder enrichment, extension programs and artificial insemination services at the door-steps of the farmers. From the start of the project, 7,421 artificial inseminations have been completed and more than 1,500 calves of a higher breed were spawned till date. Furthermore, over 1,557 farmers were covered in capacity building activities, which have led to reaping an enhanced output.

Organic farming and Vermi-composting have been encouraged with 93 Units participating in Nagda and Rehla.

## Self Help Groups and Income Generation

Across Grasim, 783 Self Help Groups (SHGs) empower 9,296 households financially and socially. Most of the SHGs have been linked with the economic schemes of banks and the District Industries Centre. The women SHG members were trained in goatry, dairy, loom weaving, sutli weaving, tailoring, blanket weaving etc. They have mobilized loans of ₹ 52.40 lakh from Banks to start income generation activities and become self reliant.

## Vocational Training

Training centres at Nagda, Rehla, Harihar, Indian Rayon, Indo Gulf, Jay Shree Textile and Vilayat were started with the objective of training rural women, particularly from low income families to be self reliant. At the various centres, 2,269 women were trained in different skills. These

comprise of tailoring, crafting, handbags, purses, animal rearing, vegetable farming as well as shop keeping. So far, they have enabled more than 5,000 women to stand on their feet, supplement the household income and in some instances, run their family.

At Nagda & Vilayat, these centres were linked with USHA International to provide accreditation for the three month and six month courses. Furthermore, 195 sewing machines were distributed to the beneficiaries, to help them start their business.

### Infrastructure Development

The 4 dams constructed at Nagda on the River Chambal continue to benefit nearly 200,000 people to drinking water. Your Company has constructed /renovated Community halls, Schools buildings, Boundary walls, Aganwadi Centres, Panchayat Office, Primary health Centres around Harihar, Nagda, Kharach and Vilayat plants.

### Social Welfare

Yet another aspect of our work includes bringing in a social reform through behavioural changes. So we work with communities on issues such as illiteracy, child labour, the marginalization and abuse of the girl child and women, alcoholism and poor hygiene among others.

Sports, cultural programmes, celebration of national events are encouraged by us.

Under the mass marriage programme this year, 112 couples in Harihar were united in wedlock. We aided 176 persons in accessing Government Pension Funds.

### Accolades

In recognition of our CSR work, several accolades were bestowed upon us. These include:

- CSR Activist of the Year Award by FMPCCI, Govt. of MP: Staple Fibre Division, Nagda
- Best CSR Impact awards by NGO Box: Vilayat, Bharuch

- Runner-up at 6th Awards Manufacturing Today Awards: Birla Cellulosic, Kharach
- SKOCH BSE "Order of Merit" Award for project Kaushalya: Indo Gulf Fertilizer, Jagdishpur
- Appreciation by District Administration on Swachh Bharat Mission: Indo Gulf Fertilizer, Jagdishpur
- Appreciation certificate by District Forest Department for plantation initiatives: Staple Fibre Division, Nagda

### Our Partners / Collaborators include

- District Rural Development Authorities at various locations
- Local Hospital and District Health Departments
- District Animal Husbandry Department
- District Agriculture Department
- District Horticulture Department
- District Forest Department
- BAIF Development Foundation
- Sarva Shiksha Abhiyan
- Rotary International
- Sathi, Ujjain

### Our Investments

For the year 2017-18, Grasim's CSR spend was ₹ 29.84 crore. In addition, we mobilized ₹ 29.04 crore through the various schemes of the Government, acting as catalysts for the community.

### In sum

Our CSR work is aimed at lifting the burden of poverty. To an extent we have helped lower the level of poverty in villages and urban slums near our plants. Our Board of Directors, our Management and our colleagues across the Company are committed to inclusive growth.



# **FINANCIAL STATEMENTS STANDALONE & CONSOLIDATED**

# Independent Auditor's Report

To the Members of Grasim Industries Limited

## Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Grasim Industries Limited ("the Company"), which comprise the Balance sheet as at 31 March 2018, the Statement of profit and loss (including Other comprehensive income), the Statement of changes in equity and the Statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

## Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("hereinafter referred to as the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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 standalone Balance sheet, the standalone Statement of profit and loss (including other comprehensive income), the standalone Statement of Changes in equity and the standalone Statement of cash flows dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 4.1 to the standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 2.25.1 to the standalone Ind AS financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2018.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Akeel Master**  
Partner  
Membership No: 046768

Mumbai  
Dated: 23 May, 2018

For **S R B C & CO LLP**  
Chartered Accountants  
Firm's Registration No: 324982E/E300003

**Vijay Maniar**  
Partner  
Membership No: 36738

Mumbai  
Dated: 23 May, 2018

# Annexure – A

to the Independent Auditors' Report – 31 March 2018 on the standalone Ind AS financial statements  
(Referred to in our report of even date)

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of the fixed assets (property plant and equipment).
- (b) The Company has a regular programme of physical verification of its fixed assets (property plant and equipment) by which all fixed assets (property plant and equipment) are verified in a phased manner over a period of two to three years. In accordance with this programme, a portion of the fixed assets (property plant and equipment) has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 2.1.1 to the standalone Ind AS financial statements, are held in the name of the Company, except for the following:

(₹ in crores)

| Particulars                     | Leasehold land | Freehold land |
|---------------------------------|----------------|---------------|
| Gross Block as at 31 March 2018 | 256.23         | 682.70        |
| Net Block as at 31 March 2018   | 244.68         | 682.70        |
| Number of Cases                 | 26             | 116           |

- (ii) The inventory, except good-in-transit, has been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on such verification between physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made, loans and guarantees to the parties covered under Section 186. The Company has not provided any security to the parties covered under Section 186 of the Act.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by Reserve Bank of India, provisions of Sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident fund, Employees' state Insurance, Income tax, Sales tax, Service tax, Goods and service tax, Duty of customs, Duty of excise, Value added tax, Cess, Professional tax and other material statutory dues as applicable, with the appropriate authorities.



According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Goods and service tax, Duty of customs, Duty of excise, Value added tax, Cess, Professional tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Goods and service tax, Duty of customs, Duty of excise or Value added tax, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Appendix I to this report.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks, financial institutions, government and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the notes to the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) of the Order is not applicable to the Company.

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

**For S R B C & CO LLP.**  
Chartered Accountants  
Firm's Registration No: 324982E/E300003

**Akeel Master**  
Partner  
Membership No.: 46768  
Mumbai  
Dated: 23 May 2018

**Vijay Maniar**  
Partner  
Membership No: 36738  
Mumbai  
Dated: 23 May 2018

Appendix I as referred to in Clause 3(vii)(b) of the Annexure - A to the Auditors' Report

| Name of the Statute                 | Nature of the Dues                   | Amount<br>(₹ Crores) | Period to which<br>the amount relates | Forum where dispute is<br>pending |
|-------------------------------------|--------------------------------------|----------------------|---------------------------------------|-----------------------------------|
| Income Tax Act, 1961                | Income Tax and Interest              | 248.36               | 1984-18                               | Appellate Authority               |
|                                     |                                      | 0.22                 | 2007-18                               | Assessing Authority               |
| Sales Tax / Value Added Tax Act     | Sales Tax, VAT, Interest and Penalty | 31.27                | 2000-18                               | Appellate Authority               |
|                                     |                                      | 4.94                 | 1999-15                               | Assessing Authority               |
|                                     |                                      | 1.95                 | 1999-12                               | High Court                        |
| Entry Tax Act                       | Entry Tax and Interest               | 1.42                 | 2007-14                               | Appellate Authority               |
|                                     |                                      | 14.68                | 2004-18                               | High Court                        |
|                                     |                                      | 5.82                 | 2006-18                               | Supreme Court                     |
| Service Tax under Finance Act, 1994 | Service Tax, Interest and Penalty    | 29.03                | 1997-18                               | Appellate Authority               |
|                                     |                                      | 46.75                | 1999-18                               | Assessing Authority               |
| Customs Act, 1962                   | Customs Duty, Interest and Penalty   | 14.65                | 1985-18                               | Appellate Authority               |
|                                     |                                      | 0.65                 | 2004-08                               | Assessing Authority               |
|                                     |                                      | 2.41                 | 1976-02                               | High Court                        |
| Central Excise Act, 1944            | Excise duty, Interest and Penalty    | 57.62                | 1985-18                               | Appellate Authority               |
|                                     |                                      | 38.23                | 1989-18                               | Assessing Authority               |
|                                     |                                      | 10.79                | 1978-18                               | High Court                        |
|                                     |                                      | 0.93                 | 2001-02                               | Supreme Court                     |

# Annexure – B

to the Independent Auditor's Report – 31 March 2018 on the standalone Ind AS financial statements  
(Referred to in our report of even date)

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

We have audited the internal financial controls with reference to financial statements of Grasim Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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 standalone Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial reporting and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

**Akeel Master**  
Partner  
Membership No.: 46768

Mumbai  
Dated: 23 May 2018

For **S R B C & CO LLP.**  
Chartered Accountants  
Firm's Registration No: 324982E/E300003

**Vijay Maniar**  
Partner  
Membership No: 36738

Mumbai  
Dated: 23 May 2018



# Balance Sheet

as at 31st March, 2018

|                                                                              | Note No. | As at 31st<br>March, 2018 | (₹ in Crore)<br>As at 31st<br>March, 2017 |
|------------------------------------------------------------------------------|----------|---------------------------|-------------------------------------------|
| <b>ASSETS</b>                                                                |          |                           |                                           |
| <b>Non-Current Assets</b>                                                    |          |                           |                                           |
| Property, Plant and Equipment                                                | 2.1      | 9,539.69                  | 6,857.98                                  |
| Capital Work-in-Progress                                                     | 2.1      | 745.11                    | 375.48                                    |
| Other Intangible Assets                                                      | 2.1      | 1,276.87                  | 28.83                                     |
| <b>Financial Assets</b>                                                      |          |                           |                                           |
| Investments                                                                  | 2.2      | 33,586.74                 | 7,424.09                                  |
| Loans                                                                        | 2.3      | 138.32                    | 141.80                                    |
| Other Financial Assets                                                       | 2.4      | 36.60                     | 1.36                                      |
| Non-Current Tax Assets (Net)                                                 |          | 32.04                     | 31.69                                     |
| Other Non-Current Assets                                                     | 2.5      | 236.57                    | 57.64                                     |
|                                                                              |          | 45,591.94                 | 14,918.87                                 |
| <b>Current Assets</b>                                                        |          |                           |                                           |
| Inventories                                                                  | 2.6      | 2,591.66                  | 1,732.74                                  |
| <b>Financial Assets</b>                                                      |          |                           |                                           |
| Investments                                                                  | 2.7      | 1,959.85                  | 1,572.33                                  |
| Trade Receivables                                                            | 2.8      | 2,609.32                  | 1,189.55                                  |
| Cash and Cash Equivalents                                                    | 2.9      | 26.07                     | 34.59                                     |
| Bank Balances other than Cash and Cash Equivalents                           | 2.10     | 15.81                     | 18.15                                     |
| Loans                                                                        | 2.11     | 84.90                     | 50.55                                     |
| Other Financial Assets                                                       | 2.12     | 218.01                    | 43.20                                     |
| Current Tax Assets (Net)                                                     |          | 84.53                     | -                                         |
| Other Current Assets                                                         | 2.13     | 544.23                    | 289.84                                    |
| Assets Held for Disposal                                                     |          | 2.54                      | 1.28                                      |
|                                                                              |          | 8,136.92                  | 4,932.23                                  |
| <b>TOTAL</b>                                                                 |          | <b>53,728.86</b>          | <b>19,851.10</b>                          |
| <b>EQUITY AND LIABILITIES</b>                                                |          |                           |                                           |
| <b>Equity</b>                                                                |          |                           |                                           |
| Equity Share Capital                                                         | 2.14     | 131.48                    | 93.37                                     |
| Other Equity                                                                 | 2.15     | 44,658.35                 | 16,137.61                                 |
|                                                                              |          | 44,789.83                 | 16,230.98                                 |
| <b>Liabilities</b>                                                           |          |                           |                                           |
| <b>Non-Current Liabilities</b>                                               |          |                           |                                           |
| <b>Financial Liabilities</b>                                                 |          |                           |                                           |
| Borrowings                                                                   | 2.16     | 853.16                    | 383.68                                    |
| Other Financial Liabilities                                                  | 2.17     | 5.58                      | 2.70                                      |
| Provisions                                                                   | 2.18     | 31.32                     | 7.60                                      |
| Deferred Tax Liabilities (Net)                                               | 2.19     | 1,834.96                  | 662.98                                    |
| Other Non-Current Liabilities                                                | 2.20     | 38.68                     | 29.49                                     |
|                                                                              |          | 2,763.70                  | 1,086.45                                  |
| <b>Current Liabilities</b>                                                   |          |                           |                                           |
| <b>Financial Liabilities</b>                                                 |          |                           |                                           |
| Borrowings                                                                   | 2.21     | 1,729.32                  | 60.81                                     |
| Trade Payables                                                               | 2.22     | 2,131.79                  | 1,113.93                                  |
| Other Financial Liabilities                                                  | 2.23     | 658.59                    | 364.18                                    |
| Other Current Liabilities                                                    | 2.24     | 920.69                    | 598.00                                    |
| Provisions                                                                   | 2.25     | 477.39                    | 154.97                                    |
| Current Tax Liabilities (Net)                                                |          | 257.55                    | 241.78                                    |
|                                                                              |          | 6,175.33                  | 2,533.67                                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                          |          | <b>53,728.86</b>          | <b>19,851.10</b>                          |
| Significant Accounting Policies and Key Accounting Estimates and Judgements. | 1        |                           |                                           |
| The accompanying Notes are an integral part of the Financial Statements.     |          |                           |                                           |

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For **S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No.: 324982E/E300003

**Sushil Agarwal**  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017

**Dilip Gaur**  
Managing Director  
DIN- 02071393

**Akeel Master**  
Partner  
Membership No.: 46768

**Vijay Maniar**  
Partner  
Membership No.: 36738

**Hutokshi Wadia**  
Company Secretary  
Membership No.: 5761

**M. L. Apte**  
Independent Director  
DIN- 00003656

Mumbai  
Dated: 23rd May, 2018

Mumbai  
Dated: 23rd May, 2018

# Statement of Profit & Loss

for the year ended 31st March, 2018

|                                                                                   | Note No. | Year Ended<br>31st March, 2018<br>(Current Year) | (₹ in Crore)<br>Year Ended<br>31st March, 2017<br>(Previous Year) |
|-----------------------------------------------------------------------------------|----------|--------------------------------------------------|-------------------------------------------------------------------|
| <b>INCOME</b>                                                                     |          |                                                  |                                                                   |
| Sale of Products and Services                                                     | 3.1      | 15,848.34                                        | 11,111.06                                                         |
| Other Operating Revenues                                                          | 3.2      | 186.37                                           | 141.89                                                            |
| Revenue from Operations                                                           |          | 16,034.71                                        | 11,252.95                                                         |
| Other Income                                                                      | 3.3      | 461.36                                           | 473.93                                                            |
| <b>Total Income (I)</b>                                                           |          | <b>16,496.07</b>                                 | <b>11,726.88</b>                                                  |
| <b>EXPENSES</b>                                                                   |          |                                                  |                                                                   |
| Cost of Materials Consumed                                                        | 3.4      | 7,088.15                                         | 4,680.27                                                          |
| Purchases of Stock-in-Trade                                                       | 3.5      | 170.48                                           | 59.68                                                             |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade     | 3.6      | 51.87                                            | 95.47                                                             |
| Employee Benefits Expense                                                         | 3.7      | 1,142.72                                         | 678.00                                                            |
| Finance Costs                                                                     | 3.8      | 128.13                                           | 57.62                                                             |
| Depreciation and Amortisation Expense                                             | 2.1      | 627.66                                           | 446.14                                                            |
| Power and Fuel                                                                    |          | 2,289.71                                         | 1,490.26                                                          |
| Freight and Handling Expenses                                                     |          | 256.80                                           | 180.32                                                            |
| Excise Duty (refer # of Note 3.1)                                                 |          | 246.24                                           | 907.30                                                            |
| Other Expenses                                                                    | 3.9      | 1,708.56                                         | 1,006.88                                                          |
| <b>Total Expenses (II)</b>                                                        |          | <b>13,710.32</b>                                 | <b>9,601.94</b>                                                   |
| <b>Profit Before Exceptional Items and Tax</b>                                    |          | <b>2,785.75</b>                                  | <b>2,124.94</b>                                                   |
| Exceptional Items                                                                 | 3.14     | (272.61)                                         | -                                                                 |
| <b>Profit Before Tax</b>                                                          |          | <b>2,513.14</b>                                  | <b>2,124.94</b>                                                   |
| Tax Expense                                                                       | 3.10     |                                                  |                                                                   |
| Current Tax                                                                       |          | 767.10                                           | 536.35                                                            |
| Provision for Tax of Earlier Years Written Back                                   |          | (62.77)                                          | (7.66)                                                            |
| Deferred Tax                                                                      |          | 40.15                                            | 36.25                                                             |
| <b>Total Tax Expense</b>                                                          |          | <b>744.48</b>                                    | <b>564.94</b>                                                     |
| <b>Profit For The Year (III)</b>                                                  |          | <b>1,768.66</b>                                  | <b>1,560.00</b>                                                   |
| <b>OTHER COMPREHENSIVE INCOME</b>                                                 |          |                                                  |                                                                   |
| A (i) Items that will not be reclassified to profit or loss                       |          | (182.81)                                         | 1,027.01                                                          |
| (ii) Income Tax relating to items that will not be reclassified to profit or loss |          | (39.05)                                          | (20.58)                                                           |
| B (i) Items that will be reclassified to profit or loss                           |          | 0.78                                             | 6.63                                                              |
| (ii) Income Tax relating to items that will be reclassified to profit or loss     |          | (0.61)                                           | (1.53)                                                            |
| <b>Other Comprehensive Income For The Year (IV)</b>                               |          | <b>(221.69)</b>                                  | <b>1,011.53</b>                                                   |
| <b>Total Comprehensive Income For The Year (III + IV)</b>                         |          | <b>1,546.97</b>                                  | <b>2,571.53</b>                                                   |
| <b>Earnings Per Equity Share (Face Value ₹ 2 each)</b>                            | 3.15     |                                                  |                                                                   |
| Basic (₹)                                                                         |          | 29.20                                            | 33.42                                                             |
| Diluted (₹)                                                                       |          | 29.17                                            | 33.38                                                             |
| Significant Accounting Policies and Key Accounting Estimates and Judgements       | 1        |                                                  |                                                                   |
| The accompanying Notes are an integral part of the Financial Statements.          |          |                                                  |                                                                   |

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For **S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No: 324982E/E300003

**Sushil Agarwal**  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017

**Dilip Gaur**  
Managing Director  
DIN- 02071393

**Akeel Master**  
Partner  
Membership No.: 46768

**Vijay Maniar**  
Partner  
Membership No: 36738

**Hutokshi Wadia**  
Company Secretary  
Membership No.: 5761

**M. L. Apte**  
Independent Director  
DIN- 00003656

Mumbai  
Dated: 23rd May, 2018

Mumbai  
Dated: 23rd May, 2018

# Statement of Changes in Equity

for the year ended 31st March, 2018

## A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2018

(₹ in Crore)

| Balance as at<br>1st April, 2017 | Changes in Equity Share Capital<br>during the year (Note 2.14.3) | Balance as at<br>31st March, 2018 |
|----------------------------------|------------------------------------------------------------------|-----------------------------------|
| 93.37                            | 38.11                                                            | 131.48                            |

For the year ended 31st March, 2017

(₹ in Crore)

| Balance as at<br>1st April, 2016 | Changes in Equity Share Capital<br>during the year (Note 2.14.3) | Balance as at<br>31st March, 2017 |
|----------------------------------|------------------------------------------------------------------|-----------------------------------|
| 93.36                            | 0.01                                                             | 93.37                             |

## B. OTHER EQUITY

(₹ in Crore)

|                                                                                                                    | Reserves and Surplus       |                              |                 |                 |                   | Other Comprehensive Income (OCI)                    |                                                       |                 |        | Employee Stock Options Reserve | Total           |
|--------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------|-----------------|-----------------|-------------------|-----------------------------------------------------|-------------------------------------------------------|-----------------|--------|--------------------------------|-----------------|
|                                                                                                                    | Securities Premium Reserve | Debenture Redemption Reserve | General Reserve | Capital Reserve | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Hedging Reserve |        |                                |                 |
| <b>As at 31st March, 2018</b>                                                                                      |                            |                              |                 |                 |                   |                                                     |                                                       |                 |        |                                |                 |
| Opening Balance as at 1st April, 2017                                                                              | 50.26                      | -                            | 10,389.08       | 38.94           | 3,434.87          | 8.49                                                | 2,195.18                                              | -               | 20.79  |                                | 16,137.61       |
| Reserves on Merger of erstwhile ABNL as on 1st July, 2017 (Note 4.11A)                                             | -                          | 123.33                       | -               | 15,380.54       | -                 | -                                                   | -                                                     | (4.33)          | 9.80   |                                | 15,509.34       |
| - Fair value gain in Investment in ABNL transferred to Capital Reserve (Note 2.2.7)                                | -                          | -                            | -               | 588.29          | -                 | -                                                   | -                                                     | -               | -      |                                | 588.29          |
| Adjustment on demerger of financial service business as on 4th July, 2017 (Note 4.11A)                             | -                          | -                            | -               | (1,721.61)      | -                 | -                                                   | -                                                     | -               | -      |                                | (1,721.61)      |
| - Net Assets transferred to ABCL                                                                                   | -                          | -                            | -               | (10,616.51)     | -                 | -                                                   | -                                                     | -               | -      |                                | (10,616.51)     |
| - Dilution of stake in ABCL                                                                                        | -                          | -                            | -               | 0.52            | -                 | -                                                   | -                                                     | -               | -      |                                | 0.52            |
| Capital Reserve arising on acquisition of Rights to Manage and Operate Century Rayon (Note 4.11B)                  | -                          | -                            | -               | -               | -                 | -                                                   | -                                                     | -               | -      |                                | -               |
| Profit for the Year                                                                                                | -                          | -                            | -               | -               | 1,768.66          | -                                                   | -                                                     | -               | -      |                                | 1,768.66        |
| Other Comprehensive Income of the Year                                                                             | -                          | -                            | -               | -               | @(12.87)          | (1.29)                                              | (208.99)                                              | 1.46            | -      |                                | (221.69)        |
| <b>Total Comprehensive Income of the Year</b>                                                                      | -                          | -                            | -               | -               | <b>1,755.79</b>   | <b>(1.29)</b>                                       | <b>(208.99)</b>                                       | <b>1.46</b>     | -      |                                | <b>1,546.97</b> |
| Transfer from Retained Earnings to General Reserve                                                                 | -                          | -                            | 1,000.00        | -               | (1,000.00)        | -                                                   | -                                                     | -               | -      |                                | -               |
| Transfer from Debenture Redemption Reserve to General Reserve                                                      | -                          | (75.00)                      | 75.00           | -               | -                 | -                                                   | -                                                     | -               | -      |                                | -               |
| Transfer from Retained Earnings to Debenture Redemption Reserve                                                    | -                          | 23.75                        | -               | -               | (23.75)           | -                                                   | -                                                     | -               | -      |                                | -               |
| Issue of Equity Shares to erstwhile ABNL shareholders, pursuant to the scheme of arrangement (Note 4.11A)          | 23,619.28                  | -                            | -               | -               | -                 | -                                                   | -                                                     | -               | -      |                                | 23,619.28       |
| Dividend (including Corporate Dividend Tax) pertaining to FY 2016-17                                               | -                          | -                            | -               | -               | (401.47)          | -                                                   | -                                                     | -               | -      |                                | (401.47)        |
| Gain on sale of non-current investment transferred to retained earnings from equity instruments through OCI        | -                          | -                            | -               | -               | 0.02              | -                                                   | -                                                     | -               | -      |                                | 0.02            |
| Stamp Duty Payment on issue of Equity Shares to erstwhile ABNL shareholders, pursuant to the scheme of arrangement | (0.14)                     | -                            | -               | -               | -                 | -                                                   | -                                                     | -               | -      |                                | (0.14)          |
| Employee Stock Option Reserve transferred to ABCL                                                                  | -                          | -                            | -               | -               | -                 | -                                                   | -                                                     | -               | (7.38) |                                | (7.38)          |

(₹ in Crore)

|                                                | Reserves and Surplus       |                              |                 |                 |                   | Other Comprehensive Income (OCI)                    |                                                       |                 | Employee Stock Options Reserve | Total     |
|------------------------------------------------|----------------------------|------------------------------|-----------------|-----------------|-------------------|-----------------------------------------------------|-------------------------------------------------------|-----------------|--------------------------------|-----------|
|                                                | Securities Premium Reserve | Debenture Redemption Reserve | General Reserve | Capital Reserve | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Hedging Reserve |                                |           |
| Employee Stock Options Exercised               | 3.55                       | -                            | -               | -               | -                 | -                                                   | -                                                     | -               | (1.29)                         | 2.26      |
| Employee Stock Options Granted (Net of Lapses) | -                          | -                            | -               | -               | -                 | -                                                   | -                                                     | -               | 1.17                           | 1.17      |
| Cancellation of vested Employee Stock Options  | -                          | -                            | 0.32            | -               | -                 | -                                                   | -                                                     | -               | (0.32)                         | -         |
| Closing Balance as at 31st March, 2018         | 23,672.95                  | 72.08                        | 11,464.40       | 3,670.17        | 3,765.46          | 720                                                 | 1,986.19                                              | (2.87)          | 22.77                          | 44,658.35 |

(₹ in Crore)

|                                                                      | Reserves and Surplus       |                              |                 |                 |                   | Other Comprehensive Income (OCI)                    |                                                       |                 |        | Employee Stock Options Reserve | Total |
|----------------------------------------------------------------------|----------------------------|------------------------------|-----------------|-----------------|-------------------|-----------------------------------------------------|-------------------------------------------------------|-----------------|--------|--------------------------------|-------|
|                                                                      | Securities Premium Reserve | Debenture Redemption Reserve | General Reserve | Capital Reserve | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Hedging Reserve |        |                                |       |
| As at 31st March, 2017                                               |                            |                              |                 |                 |                   |                                                     |                                                       |                 |        |                                |       |
| Opening Balance as at 1st April, 2016                                | 44.99                      | -                            | 9,889.08        | 38.93           | 2,604.32          | 3.39                                                | 1,180.14                                              | -               | 17.64  | 13,778.49                      |       |
| Profit for the Year                                                  | -                          | -                            | -               | -               | 1,560.00          | -                                                   | -                                                     | -               | -      | 1,560.00                       |       |
| Other Comprehensive Income for the Year                              | -                          | -                            | -               | -               | @ (8.61)          | 5.10                                                | 1,015.04                                              | -               | -      | 1,011.53                       |       |
| Total Comprehensive Income of the Year                               | -                          | -                            | -               | -               | 1,551.39          | 5.10                                                | 1,015.04                                              | -               | -      | 2,571.53                       |       |
| Transfer from Retained Earnings to General Reserve                   | -                          | -                            | 500.00          | -               | (500.00)          | -                                                   | -                                                     | -               | -      | -                              |       |
| Dividend (including Corporate Dividend Tax) pertaining to FY 2015-16 | -                          | -                            | -               | -               | (220.84)          | -                                                   | -                                                     | -               | -      | (220.84)                       |       |
| Employee Stock Options Exercised                                     | 5.27                       | -                            | -               | -               | -                 | -                                                   | -                                                     | -               | (2.65) | 2.62                           |       |
| Employee Stock Options Granted (Net of Lapses)                       | -                          | -                            | -               | -               | -                 | -                                                   | -                                                     | -               | 5.80   | 5.80                           |       |
| Equity Shares cancelled from Share Suspense                          | -                          | -                            | -               | 0.01            | -                 | -                                                   | -                                                     | -               | -      | 0.01                           |       |
| Closing Balance as at 31st March, 2017                               | 50.26                      | -                            | 10,389.08       | 38.94           | 3,434.87          | 8.49                                                | 2,195.18                                              | -               | 20.79  | 16,137.61                      |       |

@ Represents remeasurement of Defined Benefit Plan

Significant Accounting Policies - Refer Note 1

The accompanying Notes are an integral part of the Financial Statements

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022For **S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No: 324982E/E300003**Sushil Agarwal**  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017**Dilip Gaur**  
Managing Director  
DIN- 02071393**Akeel Master**  
Partner  
Membership No.: 46768**Vijay Maniar**  
Partner  
Membership No: 36738**Hutokshi Wadia**  
Company Secretary  
Membership No.: 5761**M. L. Apte**  
Independent Director  
DIN- 00003656Mumbai  
Dated: 23rd May, 2018Mumbai  
Dated: 23rd May, 2018



# Cash Flow Statement

for the year ended 31st March, 2018

|                                                                                                                                 | (₹ in Crore)      |                 |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
|                                                                                                                                 | Current Year      | Previous Year   |
| <b>A. Cash Flow from Operating Activities</b>                                                                                   |                   |                 |
| (a.) Profit Before Tax                                                                                                          | 2,513.14          | 2,124.94        |
| Adjustments for:                                                                                                                |                   |                 |
| Exceptional Items (Note 3.14)                                                                                                   | 272.61            | -               |
| Depreciation and Amortisation Expense                                                                                           | 627.66            | 446.14          |
| Finance Costs                                                                                                                   | 128.13            | 57.62           |
| Interest Income                                                                                                                 | (55.34)           | (116.72)        |
| Dividend Income                                                                                                                 | (226.79)          | (201.80)        |
| Exchange (Gain)/Loss                                                                                                            | -                 | 15.30           |
| Allowance for Doubtful Debts (Net)                                                                                              | 16.87             | 5.79            |
| Provision for Diminution in Value of Investment                                                                                 | 5.95              | -               |
| Loss on Sale of Property, Plant and Equipment (Net)                                                                             | 12.51             | 1.87            |
| ESOP Expenses<br>(includes ₹ 0.69, net of recovery from a Subsidiary Company against options granted to Employee of Subsidiary) | 0.86              | 5.33            |
| Unrealised Gain on Investments measured at Fair Value through Profit and Loss (Net)                                             | (122.28)          | (116.75)        |
| Profit on Sale of Investments (Net)                                                                                             | (14.82)           | (21.57)         |
| (b.) Operating profit Before Working Capital Changes                                                                            | 3,158.50          | 2,200.15        |
| Adjustments for:                                                                                                                |                   |                 |
| Trade Receivables                                                                                                               | (183.70)          | (202.31)        |
| Financial and Other Assets                                                                                                      | (258.02)          | 11.69           |
| Inventories                                                                                                                     | (99.96)           | (127.37)        |
| Trade Payables and Other Liabilities                                                                                            | 262.03            | 598.18          |
| (c.) Cash Generated from Operations                                                                                             | 2,878.85          | 2,480.34        |
| Direct Taxes Paid (Net of Refund)                                                                                               | (523.33)          | (221.02)        |
| <b>Net Cash Generated from Operating Activities</b>                                                                             | <b>2,355.52</b>   | <b>2,259.32</b> |
| <b>B. Cash Flow from Investing Activities</b>                                                                                   |                   |                 |
| Purchase of Property, Plant and Equipment {Note (iii)}                                                                          | (1,068.85)        | (432.46)        |
| Proceeds from Disposal of Property, Plant and Equipment                                                                         | 16.71             | 10.77           |
| Asset Transfer Cost on Merger                                                                                                   | (25.62)           | (9.61)          |
| Investment in Joint Ventures and Associates                                                                                     | (139.92)          | (0.53)          |
| Proceeds from Capital Reduction in a Joint Venture (Note 2.7.3)                                                                 | -                 | 42.68           |
| Proceeds from Sale of Non-Current Equity Investments                                                                            | 6.26              | -               |
| Acquisition of Rights to Manage and Operate Century Rayon business of CTIL                                                      | (903.31)          | -               |
| Purchase of Mutual Fund Units and Bonds (Non-Current)                                                                           | -                 | (456.65)        |
| Sale of Mutual Fund Units and Bonds (Non-Current)                                                                               | 7.19              | -               |
| Purchase of Mutual Fund Units, Bonds and Certificate of Deposits (Current) {Net}                                                | (198.44)          | (310.73)        |
| Loans and Advances given to Subsidiaries, Joint Ventures and Associates                                                         | (55.35)           | (18.30)         |
| Receipt against Loans and Advances given to Subsidiaries, Joint Ventures and Associates                                         | 102.43            | 16.09           |
| Stamp Duty Payment on issue of Equity Shares to erstwhile ABNL Shareholders                                                     | (0.14)            | -               |
| (Investment)/Redemption in Bank Deposits (having original maturity more than 3 months) and Earmarked Balances with Banks        | 52.12             | (6.47)          |
| Interest Received                                                                                                               | 55.40             | 119.37          |
| Dividend Received                                                                                                               | 226.79            | 201.80          |
| <b>Net Cash Used in Investing Activities</b>                                                                                    | <b>(1,924.73)</b> | <b>(844.04)</b> |

|                                                                    | (₹ in Crore)    |                   |
|--------------------------------------------------------------------|-----------------|-------------------|
|                                                                    | Current Year    | Previous Year     |
| <b>C. Cash Flow from Financing Activities</b>                      |                 |                   |
| Proceeds from Issue of Share Capital under ESOS                    | 2.27            | 2.64              |
| Proceeds from Non-Current Borrowings                               | 70.63           | 12.20             |
| Repayments of Non-Current Borrowings                               | (618.08)        | (223.35)          |
| Proceeds/(Repayment) of Current Borrowings (Net)                   | 641.66          | (921.04)          |
| Interest Paid (Net of Interest Subsidy)                            | (141.73)        | (59.68)           |
| Dividend Paid                                                      | (366.04)        | (203.73)          |
| Corporate Dividend Tax Paid                                        | (39.94)         | (10.79)           |
| <b>Net Cash (Outflow) from Financing Activity</b>                  | <b>(451.23)</b> | <b>(1,403.75)</b> |
| <b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>     | <b>(20.44)</b>  | <b>11.53</b>      |
| Cash and Cash Equivalents at the Beginning of the Year (Note 2.9)  | 34.59           | 23.06             |
| Cash and Cash Equivalents transferred from erstwhile ABNL          | 11.93           | -                 |
| <b>Cash and Cash Equivalents at the End of the Year (Note 2.9)</b> | <b>26.07</b>    | <b>34.59</b>      |

**Notes:**

- Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7, prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015, of the Companies Act, 2013.
- The Scheme of Merger of Aditya Birla Nuvo Limited (ABNL) with the Company implemented w.e.f. 1st July, 2017, did not involve any cash outflow as the Company issued Equity Shares of the Company to the Shareholders of erstwhile ABNL, in terms of the Scheme.
- Purchase of Property, Plant and Equipment includes cash flows of Capital Work-in-Progress (including Capital Advances) and movement in Capital Expenditure Creditors during the year.
- Changes in liabilities arising from financing activities

| (₹ in Crore)                                                                        |                           |           |                                       |                                                                         |                           |
|-------------------------------------------------------------------------------------|---------------------------|-----------|---------------------------------------|-------------------------------------------------------------------------|---------------------------|
| Particulars                                                                         | As at<br>31st March, 2017 | Cashflows | Non-Cash Changes                      |                                                                         | As at<br>31st March, 2018 |
|                                                                                     |                           |           | Fair Value<br>and Other<br>Adjustment | Others on account<br>of Merger and<br>Demerger<br>{Refer Note 4.11 (A)} |                           |
| Non-Current Borrowing<br>(including current maturities of<br>Non-Current Borrowing) | 640.68                    | (547.45)  | 0.58                                  | 1,145.87                                                                | 1,239.68                  |
| Current Borrowing                                                                   | 60.81                     | 641.66    | -                                     | 1,026.85                                                                | 1,729.32                  |
|                                                                                     | 701.49                    | 94.21     | 0.58                                  | 2,172.72                                                                | 2,969.00                  |

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022For **S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No: 324982E/E300003**Sushil Agarwal**  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017**Dilip Gaur**  
Managing Director  
DIN- 02071393**Akeel Master**  
Partner  
Membership No.: 46768**Vijay Maniar**  
Partner  
Membership No: 36738**Hutokshi Wadia**  
Company Secretary  
Membership No.: 5761**M. L. Apte**  
Independent Director  
DIN- 00003656Mumbai  
Dated: 23rd May, 2018Mumbai  
Dated: 23rd May, 2018

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## CORPORATE INFORMATION

Grasim Industries Limited ("the Company") is a limited company incorporated and domiciled in India. The registered office is at Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India. 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.

The Company is engaged primarily in Viscose (Pulp, Fibre and Yarn), Chemicals (Caustic Soda and allied Chemicals) and others (Insulators, Textiles, Fertilisers and Solar Power Designing, Engineering Procurement and Commissioning).

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Statement of Compliance:

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under Section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act"), and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 23rd May, 2018.

### 1.2 Basis of Preparation:

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

- Derivative Financial Instruments at fair value (covered under para 1.21);
- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments (covered under para 1.22 and para 1.23);
- Assets held for sale - measured at the lower of its carrying amount and fair value less cost to sell;
- Employee's Defined Benefit Plans measured as per actuarial valuation and
- Assets and liabilities acquired under Business Combination measured at fair value.

### 1.3 Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest Crores, except as otherwise indicated.

### 1.4 Business Combination and Goodwill/Capital Reserve:

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

## 1.5 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

## 1.6 Property, Plant and Equipment (PPE):

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of de-commissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses, are charged to the Statement of Profit and Loss during the period in which they are incurred.



# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

## 1.7 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period, is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

## 1.8 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis, except for Viscose Staple Fibre Division (excluding Power Plants), Nagda, and Corporate Finance Division, Mumbai, for which it is provided on written down value method, over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has used the following useful lives of the property, plant and equipment to provide depreciation.

### A. Major assets class where useful life considered as provided in Schedule II:

| Sr. No | Nature of Assets                                             | Estimated Useful Life of the Assets |
|--------|--------------------------------------------------------------|-------------------------------------|
| 1.     | Plant and Machinery - Continuous Process Plant               | 25 years                            |
| 2.     | Reactors                                                     | 20 years                            |
| 3.     | Vessel/Storage Tanks                                         | 20 years                            |
| 4.     | Factory Buildings                                            | 30 years                            |
| 5.     | Buildings (other than Factory Buildings) RCC Frame Structure | 60 years                            |
| 6.     | Electric Installations and Equipment (at Factory)            | 10 years                            |
| 7.     | Computer and other Hardwares                                 | 3 years                             |
| 8.     | General Laboratory Equipment                                 | 10 years                            |
| 9.     | Railway Sidings                                              | 15 years                            |
| 10.    | - Carpeted Roads - Reinforced Cement Concrete (RCC)          | 10 years                            |
|        | - Carpeted Roads - other than RCC                            | 5 years                             |
|        | - Non Carpeted Roads                                         | 3 years                             |
| 11.    | Fences, wells, tube wells                                    | 5 years                             |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those classes of assets. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset.

Also, useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed and depreciation has been provided accordingly.

## B. Assets where useful life differs from Schedule II:

| Sr. No | Nature of Assets                                                        | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 | Estimated Useful Life of the Assets       |
|--------|-------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------|
| 1.     | Plant & Machinery:-                                                     |                                                                     |                                           |
| 1.1    | Other than Continuous Process Plant (Single Shift)                      | 15 years                                                            | 15 - 20 years                             |
| 1.2    | Other than Continuous Process Plant (Double Shift)                      | Additional 50% depreciation over single shift (10 years)            | 20 years                                  |
| 1.3    | Other than Continuous Process Plant (Triple Shift)                      | Additional 100% depreciation over single shift (7.5 years)          | 10 - 15 years                             |
| 2.     | Motor Vehicles                                                          | 6-10 years                                                          | 4 - 5 years                               |
| 3.     | Electronic Office Equipment                                             | 5 years                                                             | 4 years                                   |
| 4.     | Furniture, Fixtures and Electrical Fittings                             | 10 years                                                            | 5 - 7 years                               |
| 5.     | Building (other than Factory Buildings) other than RCC Frame Structures | 30 years                                                            | 60 years                                  |
| 6.     | Power Plant                                                             | 40 years                                                            | 25 years                                  |
| 7.     | Servers and Networks                                                    | 6 years                                                             | 3 years                                   |
| 8.     | Spares in the nature of PPE                                             |                                                                     | 10 years                                  |
| 9.     | Assets individually costing less than or equal to ₹ 10,000/-            |                                                                     | Fully depreciated in the year of purchase |
| 10.    | Separately identified Component of Plant and Machinery                  |                                                                     | 2 - 25 years                              |

## Leasehold Assets

|                              |                          |
|------------------------------|--------------------------|
| Leasehold Land and Buildings | Over the period of Lease |
|------------------------------|--------------------------|

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Continuous process plant, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment, and depreciation is provided accordingly.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and, in case of a new Project, from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis upto the month preceding the month of deduction/disposal.

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 1.9 Intangible Assets acquired separately and Amortisation:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1st April, 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Intangible assets, acquired separately, are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit or Loss when the asset is derecognised.

### Intangible Assets and their useful lives are as under:

| Sr. No | Nature of Assets                                   | Estimated Useful Life of the Assets |
|--------|----------------------------------------------------|-------------------------------------|
| 1.     | Computer Software                                  | 3 years                             |
| 2.     | Trademarks, Technical Know-how                     | 10 years                            |
| 3.     | Value of Licence/Right to Use Infrastructure       | 10 years                            |
| 4.     | Customer Relationship                              | 15-25 years                         |
| 5.     | Brands                                             | 10 years                            |
| 6.     | Production Formula                                 | 10 years                            |
| 7.     | Distribution Network                               | 25 years                            |
| 8.     | Right to Manage and Operate Manufacturing Facility | 15 years                            |
| 9.     | Non-Compete Fees                                   | 3 years                             |
| 10.    | Order Backlog                                      | 3 months - 1 year                   |

## 1.10 Internally Generated Intangible Assets - Research and Development Expenditure:

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred. Development expenditure is capitalised as an asset, if the following conditions can be demonstrated:

- The technical feasibility of completing the asset so that it can be made available for use or sell.
- The Company has intention to complete the asset and use or sell it.

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- c) The Company has the ability to sell the asset.
- d) The future economic benefits are probable.
- e) The Company has ability to measure the expenditure attributable to the asset during its development reliably.

Other development costs, which do not meet the above criteria, are expensed out during the period in which they are incurred.

PPE procured for research and development activities are capitalised.

## 1.11 Non-Current Assets Classified as Held for Disposal:

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell.

To classify any Asset as "Asset held for disposal" the asset must be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for disposal". Once classified as held for disposal, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Management must be committed to the sale/ distribution expected within one year from the date of classification.

## 1.12 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



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## 1.13 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion, and the estimated costs necessary to make the sale. The cost is computed on weighted-average basis.

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.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads.

## 1.14 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset, or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Finance Lease:

#### As a Lessee:

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

### Operating Lease:

#### As a Lessee:

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term, unless the lease agreement explicitly states that the increase is on account of inflation.

#### As a Lessor:

The Company has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term, unless the lease agreement explicitly states that the increase is on account of inflation.

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## 1.15 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at banks, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

## 1.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 1.17 Employee Benefits:

### Short-term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

### Defined Contribution Plans:

Contribution payable to the recognised provident fund and approved superannuation scheme, which are substantially defined contribution plans, is recognised as expense in the Statement of Profit and Loss, when employees have rendered the service entitling them to the contribution.

The provident fund contribution, as specified under the law, is paid to the Regional Provident Fund Commissioner.

### Defined Benefit Plans:

The obligation in respect of defined benefit plans, which covers Gratuity, Pension and other post-employment medical benefits, are provided for on the basis of an actuarial valuation at the end of each financial year using project unit credit method. Gratuity is funded with an approved trust.

In respect of certain employees, Provident Fund contributions are made to a Trust, administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size maintained by the Trust set-up by the Company is additionally provided for. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in the Other Comprehensive Income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to profit or loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

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The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation, recognised in the Balance Sheet, represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

## Other Long-term Benefits:

Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

## 1.18 Employee Stock Options:

### Equity-settled Transactions

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black Scholes Model.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to Statement of Profit and Loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

### Cash-settled Transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black-Scholes Merton Formula. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date upto, and including the settlement date, with changes in fair value recognised in employee benefits expense.

## 1.19 Foreign Currency Transactions:

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences relating to qualifying effective cash flow hedges

## 1.20 Derivative Financial Instruments and Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts

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are entered into, and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company enters into derivative financial instruments, viz., foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

## **Hedge Accounting:**

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in the Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in the Other Comprehensive Income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

## **1.21 Fair Value Measurement:**

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company.



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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, the management analyses the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

## 1.22 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial Assets:

#### Initial Recognition and Measurement:

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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## Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at Fair Value through Other Comprehensive Income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at Fair Value through Other Comprehensive Income (FVTOCI)

## Debt Instruments at Amortised Costs:

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

## Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI on the principle amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses and reversals, and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

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## Equity Investments

Investments in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and, hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint venture at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Company has irrevocable option to present in the Other Comprehensive Income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

## Impairment of Financial Assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables and other financial assets, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments – for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

## De-recognition of Financial Assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in the Other Comprehensive Income and accumulated in equity is recognised in the Statement of Profit and Loss.

## Financial Liabilities and Equity Instruments:

### Classification as Debt or Equity:

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### Financial Liabilities:

Financial liabilities are classified, at initial recognition:

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- at fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

## Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

### Financial Liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### Financial Guarantee Contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs, because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109, and the amount recognised less cumulative amortisation.

### De-recognition of Financial Liabilities:

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.



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## Embedded Derivatives:

An embedded derivative is a component of a hybrid (combined) instrument, that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that would otherwise be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable, that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts, and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

## Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 1.23 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

- (a) Sales are recognised on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sales of goods. It is measured at fair value of the consideration received net of goods and service tax (GST) w.e.f. 1st July, 2017, discounts and volume rebates. Fertiliser price support under Company Concession and other Scheme of Government of India is recognised based on the management's estimate taking into account the known policy parameters and input price escalation/de-escalation. Sales exclude self-consumption of finished goods.
- (b) Income from services is recognised (net of GST as applicable) as they are rendered, based on agreement/arrangement with the concerned customers.
- (c) Dividend income is accounted for when the right to receive the income is established.
- (d) For all financial instruments measured at amortised cost or at fair value through Other Comprehensive Income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (e) Interest income for all financial instruments measured at fair value through Other Comprehensive Income is recognised in the Statement of Profit and Loss.
- (f) Export incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

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## 1.24 Borrowing Costs:

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## 1.25 Government Grants and Subsidies:

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised when they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates, and is being recognised in the Statement of Profit and Loss.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

## 1.26 Provision for Current and Deferred Tax:

### Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax, relating to items recognised outside profit or loss, is recognised outside profit or loss (either in Other Comprehensive Income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

### Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

# Notes

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Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted at the reporting date.

Deferred tax, relating to items recognised outside profit or loss, is recognised outside profit or loss (either in Other Comprehensive Income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 1.27 Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal IncomeTax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal IncomeTax during the specified period. Minimum AlternateTax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented with DeferredTax Asset.

## 1.28 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

## Warranty Provisions:

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

## 1.29 Earnings Per Share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.30 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity, with the Ind AS requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### (a) Judgements:

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Classification of Aditya Birla Renewables Limited, Aditya Birla Solar Limited and Aditya Birla Idea Payments Bank Limited as Joint Ventures.



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The Company holds, directly or through its subsidiary, more than half of equity shareholding in the following entities. However, as per the shareholders' agreement/statue, the Company needs to jointly decide with other shareholders of respective entity on certain relevant activities. Hence, the same are being accounted as per equity method of accounting.

- (a) Aditya Birla Renewables Limited
- (b) Aditya Birla Solar Limited
- (c) Aditya Birla Idea Payments Bank Limited

## (b) Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Useful Lives of Property, Plant and Equipment:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Measurement of Defined Benefit Obligations:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of Deferred Tax Assets:**

Availability of future taxable future profit against which the tax losses carried forward can be used.

- **Recognition and Measurement of Provisions and Contingencies:**

Key assumptions about the likelihood and magnitude of an outflow of resources.

- **Fair Value Measurement of Financial Instruments:**

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Share-based Payments:**

The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

# Notes

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This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.8

- **Business Combination and Goodwill/Capital Reserve:**

- (a) **Fair Valuation of Intangible Assets:**

The Company has used income approach (e.g., relief from royalty, multi-period excess earnings method and incremental cash flows, etc.) for value analysis of intangible assets. The method estimates the value of future cashflows over the life of the intangible assets accruing to the Company, by virtue of the transaction. The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted-Average Cost of Capital ('WACC') relating to the risk of achieving the intangible assets projected savings.

- (b) **Fair Valuation of Tangible Assets:**

**Freehold Land:**

Freehold land is fair valued using the sales comparison method using prevailing rates of similar plots of land, circle rates provided by relevant regulatory authorities and other acceptable valuation techniques.

**Leasehold Land**

Leasehold land is valued basis the leasehold interest for the remaining duration of the lease.

**Other Assets:**

The cost approach has been adopted for fair valuing all the assets, The cost approach includes calculation of replacement cost using price trends applied to historical cost and capitalisation of all the indirect cost, these trends are on the basis of price indices obtained from recognised sources.

- (c) **Fair Valuation of Loans:**

The fair value of loans given/borrowed has been estimated by considering the cash flows, future credit losses and the rate of prepayments for each loan. Projected annual cash flows were then discounted to present value based on a market rate for similar loans.

The allowance for loan losses, associated with the acquired loans, were evaluated by the management and recorded.

- (c) **Fair Valuation of Current Assets and Liabilities :**

The Current Assets and Liabilities are taken at fair value on the date of acquisition .

## 1.31 Cash Dividend to Equity Holders of the Company:

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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\* Net Block of Tangible Assets amounting to ₹ 3,349.14 Crore (Previous Year ₹ 3,158.62 Crore) are pledged as security against the secured borrowings.

# The Leasehold Land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.



(₹ in Crore)

# The Leasehold Land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.

# The Leasehold Land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.



# Notes

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## Notes:

|                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                     | (₹ in Crore)              |                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                     | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| 2.1.1                                                                                                                                                                                                                                                                                                                                                                                                                       | Leasehold and Freehold land includes cost of land for which lease deeds are in the process of execution (Net Block) | 75.33                     | 75.74                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | The titles of the immovable assets transferred from ABNL and ABCIL pursuant to the respective Scheme of Merger,     | 852.06                    | 102.08                    |
| 2.1.2                                                                                                                                                                                                                                                                                                                                                                                                                       | Building includes workers' quarters mortgaged with State Government against subsidies received:                     |                           |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Gross Block                                                                                                         | 0.45                      | 0.45                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Block                                                                                                           | 0.26                      | 0.01                      |
| 2.1.3                                                                                                                                                                                                                                                                                                                                                                                                                       | Assets Held on Co-ownership with other companies:                                                                   |                           |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Gross Block                                                                                                         | 218.56                    | 116.84                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Block                                                                                                           | 190.98                    | 93.05                     |
| The Company's share in assets held under co-ownership-Leasehold Land ₹ 129.62 Crore (PreviousYear: ₹ 79.48 Crore), Buildings ₹ 72.76 Crore (PreviousYear: ₹ 25.37 Crore), Plant and Equipment ₹ 0.40 Crore (PreviousYear: ₹ 0.40 Crore), Furniture and Fixtures ₹ 4.21 Crore (PreviousYear: ₹ 4.10 Crore), Vehicles ₹ 0.07 Crore (PreviousYear: ₹ 0.07 Crore ), Office Equipment ₹ 7.89 Crore (PreviousYear ₹ 7.43 Crore) . |                                                                                                                     |                           |                           |
| 2.1.4                                                                                                                                                                                                                                                                                                                                                                                                                       | PPE includes Capital Expenditure for Research and Development Activities:                                           |                           |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Gross Block                                                                                                         | 147.43                    | 137.39                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Block                                                                                                           | 105.15                    | 104.84                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Additions during the Year                                                                                           | 15.78                     | 32.11                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Capital Work-in-Progress                                                                                            | 4.70                      | 3.04                      |
| 2.1.5                                                                                                                                                                                                                                                                                                                                                                                                                       | Additions to PPE includes Capitalisation on Account of:                                                             |                           |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Finance Costs                                                                                                       | 4.78                      | -                         |
| 2.1.6                                                                                                                                                                                                                                                                                                                                                                                                                       | Details of Property, Plant and Equipment capitalised under Finance Lease:                                           |                           |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Leased assets are pledged as security for the related finance lease liabilities {refer Note 2.16.1 (ii)}            |                           |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Plant and Equipment include Gross Block ₹ 0.74 Crore and Net block ₹ 0.03 Crore {refer Note 4.7.3 (iii)}            |                           |                           |
| 2.1.7                                                                                                                                                                                                                                                                                                                                                                                                                       | Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:                                     |                           |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Expenditure Incurred during the Year:                                                                               |                           |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Raw Materials Consumed                                                                                              | 1.43                      | -                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Employee Benefits Expense                                                                                           | 8.08                      | 0.50                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Finance Costs                                                                                                       | 0.69                      | -                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Power and Fuel                                                                                                      | 0.20                      | 0.48                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Consumption of Stores, Spare Parts and Components, Packing Materials and Incidental Expenses                        | 0.07                      | -                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Repairs and Maintenance                                                                                             | 5.61                      | -                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Insurance                                                                                                           | 0.38                      | 0.39                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                             | Rent                                                                                                                | 0.22                      | 0.10                      |

# Notes

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|                                                                                             | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|---------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|
| Exchange Rate Difference Loss/(Gain) (Net)                                                  | (0.02)                    | -                                         |
| Miscellaneous Expenses                                                                      | 13.81                     | 0.65                                      |
|                                                                                             | 30.47                     | 2.12                                      |
| Less: Income Earned during the Year                                                         |                           |                                           |
| Sale of Trial Run Production                                                                | 0.98                      | -                                         |
|                                                                                             | 0.98                      | -                                         |
| Total Pre-Operative Expenses Incurred during the Year                                       | 29.49                     | 2.12                                      |
| Add: Pre-Operative Expenditure Incurred upto Previous Year                                  | 2.44                      | 0.32                                      |
| Add: Transferred from ABNL pursuant to the Scheme of Merger                                 | 4.16                      | -                                         |
| Less: Pre-Operative Expenditure Allocated to PPE during the Year                            | 9.14                      | 0.32                                      |
| Less: Pre-Operative Expenditure Charged to the Statement of Profit and Loss during the Year | -                         | -                                         |
| <b>Total Pre-Operative Expenses Pending Allocation</b>                                      | <b>26.95</b>              | <b>2.44</b>                               |

## 2.2 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

|                                                   | Face<br>Value | Number of<br>Shares/<br>Securities | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|---------------------------------------------------|---------------|------------------------------------|---------------------------|-------------------------------------------|
| (Long-term, Fully Paid-up)                        |               |                                    |                           |                                           |
| <b>Investments in Equity Instruments</b>          |               |                                    |                           |                                           |
| <b>Subsidiaries: Carried at Cost</b>              |               |                                    |                           |                                           |
| UltraTech Cement Limited #                        | ₹ 10          | 165,335,150                        | 2,636.25                  | 2,636.25                                  |
| Aditya Birla Capital Limited #*                   | ₹ 10          | 1,232,240,000                      | 17,076.95                 | -                                         |
| ABNL Investment Limited*                          | ₹ 10          | 28,140,000                         | 108.79                    | -                                         |
| Shaktiman Mega Food Park Limited^*                | ₹ 10          | 442,629                            | 0.44                      | -                                         |
| Impairment in Value of Investments                |               |                                    | (0.44)                    | -                                         |
| 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 2.2.4)      | ₹ 10          | -                                  | -                         | 60.05                                     |
| Aditya Birla Chemicals (Belgium) BVBA             | EURO 1        | 6,198                              | 0.05                      | 0.05                                      |
|                                                   |               |                                    | 19,828.59                 | 2,702.90                                  |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

|                                                                                                             | Face Value | Number of Shares/ Securities | As at 31st March, 2018 | As at 31st March, 2017 |
|-------------------------------------------------------------------------------------------------------------|------------|------------------------------|------------------------|------------------------|
| <b>Joint Ventures: Carried at Cost</b>                                                                      |            |                              |                        |                        |
| AV Group NB Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 38.25 Million (Note 2.2.3) | WPV        | 204,750                      | 153.04                 | 153.04                 |
| Birla Jingwei Fibres Company Limited, China, Shares of aggregate value of RMB 174.53 Million (Note 2.2.3)   | WPV        | -                            | 117.40                 | 117.40                 |
| Birla Laos Pulp and Plantations Company Limited, Laos (Note 2.2.5)<br>(Previous Year: 19,520 Shares)        | US\$ 1000  | -                            | -                      | 95.71                  |
| Impairment in Value of Investments                                                                          |            |                              | -                      | (55.43)                |
| Bhubaneswari Coal Mining Limited                                                                            | ₹ 10       | 33,540,000                   | 33.54                  | 33.54                  |
| AVTerrace Bay Inc., Canada (Note 2.2.3)                                                                     | CAD 1      | 28,000,000                   | 156.36                 | 156.36                 |
| Aditya Group AB, Sweden (Note 2.2.3)                                                                        | SEK 1000   | 50                           | 274.89                 | 274.89                 |
| Aditya Birla Renewables Limited*                                                                            | ₹ 10       | 27,936,000                   | 27.94                  | -                      |
| Aditya Birla Solar Limited*                                                                                 | ₹ 10       | 30,326,602                   | 30.33                  | -                      |
|                                                                                                             |            |                              | 793.50                 | 775.51                 |
| <b>Associates: Carried at Cost</b>                                                                          |            |                              |                        |                        |
| Idea Cellular Limited ** (Note 2.2.3) (Previous Year: 171,013,894 Shares)                                   | ₹ 10       | 1,008,540,115                | 7,310.92               | 171.01                 |
| Aditya Birla Science & Technology Company Private Limited*<br>(Previous Year: 7,799,500 Shares)             | ₹ 10       | 9,899,500                    | 11.35                  | 7.80                   |
| Aditya Birla Idea Payments Bank Limited*                                                                    | ₹ 10       | 230,680,885                  | 230.68                 | -                      |
|                                                                                                             |            |                              | 7,552.95               | 178.81                 |

# Notes

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(₹ in Crore)

|                                                                                                                                                  | Face Value  | Number of Shares/ Securities | As at 31st March, 2018 | As at 31st March, 2017 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------|------------------------|------------------------|
| <b>Others: Carried at Fair Value through Other Comprehensive Income (FVTOCI) {Note 2.2.6 (a)}</b>                                                |             |                              |                        |                        |
| Thai Rayon Public Company Limited, Thailand #                                                                                                    | Thai Baht 1 | 13,988,570                   | 154.58                 | 123.77                 |
| P.T. Indo Bharat Rayon Co. Limited, Indonesia                                                                                                    | US\$ 100    | 5,000                        | 505.01                 | 347.11                 |
| Aditya Birla Ports Limited (Previous Year: 50,000 Shares)                                                                                        | ₹ 10        | -                            | -                      | 0.07                   |
| Aditya Birla Nuvo Limited # (Previous Year: 3,345,816 Shares) (Note 2.2.7)                                                                       | ₹ 10        | -                            | -                      | 509.25                 |
| Larsen & Toubro Limited # \$ (Previous Year: 2,631,869 Shares)                                                                                   | ₹ 2         | 3,947,803                    | 517.52                 | 415.20                 |
| Hindalco Industries Limited #* (Previous Year: 54,542,475 Shares)                                                                                | ₹ 1         | 88,048,812                   | 1,889.09               | 1,064.12               |
| Indophil Textile Mills Inc., Philippines                                                                                                         | Peso 10     | 422,496                      | 2.87                   | 3.30                   |
| Birla International Limited - Isle of Man                                                                                                        | CHF 100     | 2,500                        | 4.01                   | 3.96                   |
| Aditya Birla Fashion and Retail Limited #* (Previous Year: 17,398,243 Shares)                                                                    | ₹ 10        | 87,380,613                   | 1,318.14               | 267.58                 |
| JSW Steel (Salav) Limited (Previous Year: 1,400,000 Shares)                                                                                      | ₹ 10        | -                            | -                      | 0.10                   |
|                                                                                                                                                  |             |                              | 4,391.22               | 2,734.46               |
| <b>Investments in Preference Shares: Carried at Fair Value through Profit or Loss (FVTPL) {2.2.6 (c)}</b>                                        |             |                              |                        |                        |
| <b>Joint Ventures:</b>                                                                                                                           |             |                              |                        |                        |
| 6% Cumulative Redeemable Retractable, Non-Voting Preferred Shares of AV Group NB Inc., Canada of aggregate value of Canadian Dollar 6.75 Million | WPV         | 6,750,000                    | 22.74                  | 20.58                  |
| 1% Redeemable Preference Shares of Aditya Group AB, Sweden of aggregate value of USD 8 Million                                                   | WPV         | 160,000                      | 46.32                  | 42.37                  |



# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

|                                                                                                                           | Face Value  | Number of Shares/ Securities | As at 31st March, 2018 | As at 31st March, 2017 |
|---------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------|------------------------|------------------------|
| <b>Others:</b>                                                                                                            |             |                              |                        |                        |
| 5.25% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited@* (Previous Year: 2,500,000 Shares) | ₹ 100       | 4,000,000                    | 39.09                  | 22.66                  |
| 11% Redeemable, Cumulative Non-Convertible Preference Shares of TANFAC Industries Limited                                 | ₹ 100       | 500,000                      | 0.85                   | 0.76                   |
| 8% Cumulative & Redeemable Preference Shares of Aditya Birla Fashion & Retail Limited*                                    | ₹ 10        | 500,000                      | 0.82                   | -                      |
| 8% Preference Shares of Birla Management Centre Services Limited<br>! Represents amount of ₹ 2000                         | ₹ 10        | 200                          | !                      | -                      |
|                                                                                                                           |             |                              | 109.82                 | 86.37                  |
| <b>Investments in Debentures and Bonds: Carried at FVTOCI # {Note 2.2.6 (b)}</b>                                          |             |                              |                        |                        |
| 8.10 % Housing and Urban Development Corporation Limited - Tax-Free Bond - 2022                                           | ₹ 1000      | 195,000                      | 20.74                  | 21.04                  |
| 7.18 % Indian Railway Finance Corporation Limited - Tax-Free Bond - 2023                                                  | ₹ 1000      | 400,000                      | 41.61                  | 41.82                  |
| 7.34 % Indian Railway Finance Corporation Limited - Tax-Free Bond - 2028                                                  | ₹ 1000      | 600,000                      | 64.91                  | 65.43                  |
| 8.20 % National Highways Authority of India - Tax-Free Bond - 2022                                                        | ₹ 1000      | 147,238                      | 15.70                  | 15.94                  |
| 8.20 % Power Finance Corporation Limited - Tax-Free Bond - 2022                                                           | ₹ 1000      | 119,546                      | 12.74                  | 12.94                  |
| 11.50 % Family Credit Limited Perpetual Taxable Bond - 2021                                                               | ₹ 1,000,000 | 112                          | 12.04                  | 12.19                  |
| 9.50% State Bank of India Taxable Bond - 2025                                                                             | ₹ 10,000    | 107                          | 0.11                   | 0.12                   |
|                                                                                                                           |             |                              | 167.85                 | 169.48                 |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

|                                                                                                                   | Face Value | Number of Shares/ Securities | As at 31st March, 2018 | As at 31st March, 2017 |
|-------------------------------------------------------------------------------------------------------------------|------------|------------------------------|------------------------|------------------------|
| <b>Investments in various Mutual Funds Units: Carried at Fair Value through Profit or Loss # {Note 2.2.6 (c)}</b> | ₹ 10       | 659,050,000                  | 742.81                 | 776.56                 |
| (Previous Year: 711,050,000 units)                                                                                |            |                              | 33,586.74              | 7,424.09               |

All shares are fully paid-up, unless otherwise stated

WPV - Without Par Value

# Quoted Investments

@ Each Preference share is optionally convertible in 10 Equity Shares of ₹ 10/- each fully paid up on the expiry of a period of 15 years from the date of allotment.

^ Application has been filed for striking off the name of the Company under Section 248 of the Companies Act, 2013.

\$ Bonus Shares received during the year in the ratio of 1:2.

\* Investment acquired on merger of ABNL {Refer Note no 4.11A(ii)}

## 2.2.1 Aggregate Book Value of:

(₹ in Crore)

|                                              | As at 31st March, 2018 | As at 31st March, 2017 |
|----------------------------------------------|------------------------|------------------------|
| Quoted Investments                           | 31,814.11              | 6,133.22               |
| Unquoted Investments                         | 1,772.63               | 1,290.87               |
|                                              | 33,586.74              | 7,424.09               |
| Aggregate Market Value of Quoted Investments | 95,736.73              | 70,759.46              |
| Aggregate Impairment in Value of Investments | 0.44                   | 55.43                  |

## 2.2.2 Category wise Non-Current Investments:

(₹ in Crore)

|                                          | As at 31st March, 2018 | As at 31st March, 2017 |
|------------------------------------------|------------------------|------------------------|
| <b>Quoted:</b>                           | -                      | -                      |
| Financial Investments measured at FVTOCI |                        |                        |
| Equity Shares                            | 3,879.33               | 2,379.92               |
| Debentures or Bonds                      | 167.85                 | 169.48                 |
| <b>Sub-Total (a)</b>                     | <b>4,047.18</b>        | <b>2,549.40</b>        |
| Financial Investments measured at FVTPL  |                        |                        |
| Mutual Fund Units                        | 742.81                 | 776.56                 |
| <b>Sub-Total (b)</b>                     | <b>742.81</b>          | <b>776.56</b>          |
| Financial Investments carried at Cost    |                        |                        |
| Equity Shares                            | 27,024.12              | 2,807.26               |
| <b>Sub-Total (c)</b>                     | <b>27,024.12</b>       | <b>2,807.26</b>        |
| <b>Total (a + b + c)</b>                 | <b>31,814.11</b>       | <b>6,133.22</b>        |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

|                                          | (₹ in Crore)              |                           |
|------------------------------------------|---------------------------|---------------------------|
|                                          | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Unquoted:</b>                         |                           |                           |
| Financial Investments measured at FVTOCI |                           |                           |
| Equity Shares                            | 511.89                    | 354.54                    |
| <b>Sub-Total (a)</b>                     | <b>511.89</b>             | <b>354.54</b>             |
| Financial Investments measured at FVTPL  |                           |                           |
| Preference Shares                        | 109.82                    | 86.37                     |
| <b>Sub-Total (b)</b>                     | <b>109.82</b>             | <b>86.37</b>              |
| Financial Investments carried at Cost    |                           |                           |
| Equity Shares                            | 1,150.92                  | 849.96                    |
| Government or Trust Securities           | -                         | -                         |
| <b>Sub-Total (c)</b>                     | <b>1,150.92</b>           | <b>849.96</b>             |
| <b>Total (a + b + c)</b>                 | <b>1,772.63</b>           | <b>1,290.87</b>           |

**2.2.3** The Investments in Company's Joint Ventures, AV Group NB Inc., AV Terrace Bay Inc., Birla Jingwei Fibres Company Limited, Aditya Group AB; and its Associate, Idea Cellular Limited, are subject to maintenance of 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 Joint Venture and Associates will be managed through its nominee directors on the boards of respective borrowing companies, in such a manner that they are able to meet their respective financial obligations.

**2.2.4** Grasim Bhiwani Textiles Limited (GBTL) has ceased to be a subsidiary w.e.f. 10th July, 2017, as the Company has divested its entire shareholding in GBTL.

The Company has incurred a loss of ₹ 53.96 Crore on the said divestment, which has been disclosed as exceptional item in the current year (Note 3.14).

**2.2.5** During the current year, Birla Laos Pulp and Plantations Company Limited, Laos, has been reclassified from non-current investment to current investment, as the Company has entered into an agreement for disposal, and accordingly the Company has provided impairment in value of investment ₹ 5.94 Crore (Note 3.9.2).

## **2.2.6 Disclosure requirement of Ind AS 107- "Financial Instruments: Disclosure":**

### **(a.) Equity Instruments (other than Subsidiaries, Joint Ventures and Associates) designated at FVTOCI**

These investments have been designated on initial recognition to be measured at FVTOCI as these are strategic investments and are not intended for sale.

### **(b.) Debentures and Bonds Measured at FVTOCI**

Investments in Debentures or Bonds meet the contractual cash flow test as required by Ind AS 109 - Financial Instruments. However, the business model of the Company is such that it does not hold these investments till maturity as the Company intends to sell these investments as and when need arises. Hence, the same have been Measured at FVTOCI.

### **(c.) Mutual Fund Units and Preference Shares measured at FVTPL**

Preference Shares and Mutual Funds have been measured on initial recognition at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109 - Financial Instruments, for being measured at amortised cost or FVTOCI, hence, classified at FVTPL.

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

- 2.2.7** The Company previously held around 2.57% stake in Aditya Birla Nuvo Limited, which was classified as FVTOCI Investment during the previous year, and change in fair value of ₹ 475.99 Crore was recognised in OCI as on 31st March, 2017. Total change in fair value till date of merger accumulated in OCI amounted to ₹ 588.29 Crore (positive change in fair value of ₹ 112.3 Crore in the current year up to the date of merger) was transferred to Capital Reserve.

## 2.3 NON-CURRENT FINANCIAL ASSETS - LOANS

|                                                              | (₹ in Crore)              |                           |
|--------------------------------------------------------------|---------------------------|---------------------------|
|                                                              | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>(Unsecured, Considered Good, unless otherwise stated)</b> |                           |                           |
| <b>(Carried at Amortised Cost, except otherwise stated)</b>  |                           |                           |
| Security Deposits *                                          | 133.20                    | 77.55                     |
| Loans to Related Parties (Note 4.5.4)                        | -                         | 53.37                     |
| Loans to Employees                                           | 5.12                      | 10.88                     |
|                                                              | <b>138.32</b>             | <b>141.80</b>             |

\* Includes deposit of ₹ 10.95 Crore (Previous Year: ₹ 5.25 Crore) given to Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee. Directors of which include Directors of the Company. The Company is one of the Promoter members of ABMCPL, which has been formed to provide a common pool of facilities and resources to its members, with a view to optimise the benefits of specialisation and minimise cost to each member. The Company's share of expenses, under the common pool, has been accounted for under the appropriate heads.

### 2.3.1 Disclosure as per Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

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

|                                                   |                                                | (₹ in Crore)                           |               |                    |               |
|---------------------------------------------------|------------------------------------------------|----------------------------------------|---------------|--------------------|---------------|
| Name of the Companies                             | Terms                                          | Maximum Balance Outstanding during the |               | Amount Outstanding |               |
|                                                   |                                                | Current Year                           | Previous Year | Current Year       | Previous Year |
| <b>Subsidiaries:</b>                              |                                                |                                        |               |                    |               |
| Samruddhi Swastik Trading and Investments Limited | Payable on call, interest rate 7.5% p.a.       | 0.20                                   | -             | -                  | -             |
| Aditya Birla Chemicals (Belgium) BVBA             | Expenditure to be recovered                    | -                                      | 0.09          | -                  | 0.09          |
| Grasim Bhiwani Textiles Limited                   | Interest rate 8.75% p.a., repayment in 3 years | 16.29                                  | 18.61         | -                  | 16.29         |
| <b>Joint Ventures:</b>                            |                                                |                                        |               |                    |               |



# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

| Name of the Companies                                     | Terms                                                                        | (₹ in Crore)                           |               |                    |               |
|-----------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------|---------------|--------------------|---------------|
|                                                           |                                                                              | Maximum Balance Outstanding during the |               | Amount Outstanding |               |
|                                                           |                                                                              | Current Year                           | Previous Year | Current Year       | Previous Year |
| Aditya Birla Solar Limited                                | Interest rate 8.60% p.a., repayment in 72 days                               | 4.30                                   | -             | 4.30               | -             |
| Aditya Birla Renewables Limited                           | Interest rate 8.60% p.a., repayment in 90 days (with early repayment option) | 16.80                                  | -             | -                  | -             |
| Aditya Birla Renewables SPV1 Limited                      | Interest rate 8.60% p.a., repayment in 90 days                               | 7.15                                   | -             | -                  | -             |
| AV Group NB Inc                                           | Interest rate 6% p.a., repayment on demand                                   | 35.46                                  | 35.76         | -                  | 32.80         |
| <b>Associates:</b>                                        |                                                                              |                                        |               |                    |               |
| Aditya Birla Science & Technology Company Private Limited | Payable on call, interest rate higher of G Sec and Bank rate                 | 24.94                                  | 11.83         | 22.74              | 11.35         |
| Aditya Birla Idea Payments Bank Limited                   | Interest rate 8.60% p.a., repayment in 90 days                               | 17.75                                  | -             | -                  | -             |
| <b>Total</b>                                              |                                                                              | <b>122.89</b>                          | <b>66.29</b>  | <b>27.04</b>       | <b>60.53</b>  |

The Loans have been utilised for meeting their business requirements.

(b) Refer Note 2.2 for investments

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 2.4 NON-CURRENT FINANCIAL ASSETS - OTHERS

|                                                               | (₹ in Crore)              |                           |
|---------------------------------------------------------------|---------------------------|---------------------------|
|                                                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| (Carried at Amortised Cost, except otherwise stated)          |                           |                           |
| Fixed Deposits with Banks with maturity more than 12 months # | 1.48                      | 1.36                      |
| Receivable towards divested business of erstwhile ABNL *      | 35.12                     | -                         |
|                                                               | 36.60                     | 1.36                      |

\*The Company has to receive from purchaser towards tax refunds.

# Lodged as security with Government Departments

## 2.5 OTHER NON-CURRENT ASSETS

|                                                                | (₹ in Crore)              |                           |
|----------------------------------------------------------------|---------------------------|---------------------------|
|                                                                | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Capital Advances for Purchase of Property, Plant and Equipment | 150.22                    | 54.76                     |
| Other Advances (Deposit with Government Authorities, etc.)     | 86.35                     | 2.88                      |
|                                                                | 236.57                    | 57.64                     |

## 2.6 INVENTORIES

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

|                                              | As at 31st March, 2018 |            |          | As at 31st March, 2017 |            |          |
|----------------------------------------------|------------------------|------------|----------|------------------------|------------|----------|
|                                              | In Hand                | In Transit | Total    | In Hand                | In Transit | Total    |
| Raw Materials                                | 1,101.93               | 521.54     | 1,623.47 | 697.66                 | 467.96     | 1,165.62 |
| Work-in-Progress                             | 161.83                 | -          | 161.83   | 32.40                  | -          | 32.40    |
| Finished Goods                               | 422.54                 | 67.06      | 489.60   | 235.07                 | 74.22      | 309.29   |
| Stock-in-Trade                               | 23.03                  | -          | 23.03    | 0.53                   | -          | 0.53     |
| Stores and Spare Parts                       | 275.64                 | 12.59      | 288.23   | 208.55                 | 12.10      | 220.65   |
| Waste/Scrap (valued at Net Realisable Value) | 5.50                   | -          | 5.50     | 4.25                   | -          | 4.25     |
|                                              | 1,990.47               | 601.19     | 2,591.66 | 1,178.46               | 554.28     | 1,732.74 |

**2.6.1** The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for the year ₹ 3.99 Crore (31st March, 2017, ₹ 1.96 Crore). Inventory values shown above are net of the provisions.

**2.6.2** Working Capital Borrowings are secured by hypothecation of inventory of the Company.

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forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 2.7 CURRENT FINANCIAL ASSETS - INVESTMENTS

|                                                                                                                 | (₹ in Crore)              |                           |
|-----------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                 | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Quoted:</b>                                                                                                  |                           |                           |
| <b>Investments in various Mutual Funds Units: Carried at Fair Value through Profit or Loss</b>                  |                           |                           |
| 62,711,078 Units (Previous Year 91,03,488 Units)                                                                | 78.47                     | 11.81                     |
| <b>Unquoted:</b>                                                                                                |                           |                           |
| <b>Investment in various Mutual Funds Units: Carried at Fair Value through Profit or Loss</b>                   |                           |                           |
| 854,158,088 Units (Previous Year: 744,706,675 Units)                                                            | 1,846.57                  | 1,559.05                  |
| <b>Investments in Equity Instruments - Carried at cost</b>                                                      |                           |                           |
| <b>Joint Ventures:</b>                                                                                          |                           |                           |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey (Note 2.7.3) (Face Value TRY 10, Nos. 16,665)       | 0.47                      | 0.47                      |
| Birla Laos Pulp and Plantations Company Limited, Laos (Note 2.2.5) (Face Value US\$ 1000, No. of Share 19,520 ) | 95.71                     |                           |
| Impairment in value of Investments                                                                              | (61.37)                   | 34.34                     |
| <b>Investments in Debentures or Bonds: Carried at Fair Value through OCI</b>                                    |                           |                           |
| 9.60 % HDFC Bond 2017                                                                                           | -                         | 1.00                      |
|                                                                                                                 | <b>1,959.85</b>           | <b>1,572.33</b>           |

All shares are fully paid-up, unless otherwise stated

### 2.7.1 Aggregate Book Value of:

|                      | (₹ in Crore)              |                           |
|----------------------|---------------------------|---------------------------|
|                      | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Quoted Investments   | 78.47                     | 12.81                     |
| Unquoted Investments | 1,881.38                  | 1,559.52                  |
|                      | <b>1,959.85</b>           | <b>1,572.33</b>           |

|              |                                              |       |       |
|--------------|----------------------------------------------|-------|-------|
| <b>2.7.2</b> | Aggregate Market Value of Quoted Investments | 78.47 | 12.81 |
|              | Aggregate Impairment in Value of Investments | 61.37 | -     |

**2.7.3** 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 Non - Current Investment to Current Investment. In the previous year, ABEST has returned ₹ 42.68 Crore, and the difference between Gross investment amount and actual receipt has resulted in an exchange loss of ₹ 13.52 Crore due to currency depreciation of Turkey.

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 2.8 TRADE RECEIVABLES \*

(Carried at Amortised Cost, except otherwise stated)

(Unsecured, unless otherwise stated)

|                                                                                                  | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|--------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|
| Considered Good # @ {Secured ₹ 106.87 Crore (Previous Year: ₹ 43.23 Crore)}                      | 2,609.32                  | 1,189.55                                  |
| Doubtful                                                                                         | 69.98                     | 9.55                                      |
|                                                                                                  | 2,679.30                  | 1,199.10                                  |
| Less: Allowance for Doubtful Debts                                                               | 69.98                     | 9.55                                      |
|                                                                                                  | 2,609.32                  | 1,189.55                                  |
| Trade receivable are interest and non-interest bearing and are generally upto 180 days terms.    |                           |                                           |
| For ageing analysis of Trade Receivables, refer to Note 4.10 D(i)                                |                           |                                           |
| # Includes subsidy receivable from Government of India.                                          | 760.42                    | -                                         |
| @ Includes amount due from related parties. (Note 4.5.4)                                         | 64.28                     | 49.64                                     |
| * Includes amount in respect of which the Company holds Letters of Credit/Guarantees from Banks. | 452.11                    | 191.78                                    |

2.8.1 Working Capital Borrowings are secured by hypothecation of Book Debts of the Company.

## 2.9 CASH AND CASH EQUIVALENTS

|                                                            | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|------------------------------------------------------------|---------------------------|-------------------------------------------|
| Balances with Banks                                        |                           |                                           |
| In Current Account                                         | 17.89                     | 25.74                                     |
| In Deposit Account - Original Maturity of 3 Months or Less | 0.28                      | -                                         |
| In EEFC Account                                            | 7.29                      | 8.58                                      |
| Cash on Hand                                               | 0.61                      | 0.27                                      |
|                                                            | 26.07                     | 34.59                                     |

The Company had available Undrawn Facility of ₹ 403.93 Crore as on 31st March, 2018 and ₹ 395.41 Crore as on 31st March, 2017.

## 2.10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

|                                                                           | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|---------------------------------------------------------------------------|---------------------------|-------------------------------------------|
| Earmarked Balance with Banks                                              |                           |                                           |
| In Government Treasury Savings Account                                    | 0.03                      | 0.03                                      |
| Unclaimed Dividend                                                        | 14.87                     | 16.37                                     |
| Bank Deposits (with maturity more than 3 months but less than 12 months)* | 0.91                      | 1.75                                      |
|                                                                           | 15.81                     | 18.15                                     |



# Notes

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|                                                                                                                                                      | (₹ in Crore)              |                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                      | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| - There are no restriction with regard to cash and cash equivalents as at the end of reporting period and prior period .                             |                           |                           |
| - There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2018 and 31st March, 2017. |                           |                           |
| * Includes                                                                                                                                           |                           |                           |
| Lodged as Security with Government Departments                                                                                                       | -                         | 0.51                      |
| Unclaimed Fractional Warrants                                                                                                                        | 0.83                      | 0.10                      |

## 2.11 CURRENT FINANCIAL ASSETS - LOANS

|                                                      | (₹ in Crore)              |                           |
|------------------------------------------------------|---------------------------|---------------------------|
|                                                      | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Unsecured (Considered Good, unless otherwise stated) |                           |                           |
| (Carried at Amortised Cost, except otherwise stated) |                           |                           |
| Security Deposits                                    | 47.56                     | 40.95                     |
| Loans to Related Parties (Note 4.5.4)                | 27.04                     | 7.16                      |
| Loan to Employees                                    | 10.30                     | 2.44                      |
|                                                      | 84.90                     | 50.55                     |

## 2.12 CURRENT FINANCIAL ASSETS - OTHERS

|                                                                                             | (₹ in Crore)              |                           |
|---------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                             | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| (Carried at Amortised Cost, except otherwise stated)                                        |                           |                           |
| Interest Accrued on Investments                                                             | 4.86                      | 4.92                      |
| Reimbursement of Expenses Receivable (receivable from the Government of India)              | 141.65                    | -                         |
| Others (Insurance Claim Receivable, Receivables from Mutual Funds against Redemption, etc.) | 71.50                     | 38.28                     |
|                                                                                             | 218.01                    | 43.20                     |

## 2.13 OTHER CURRENT ASSETS

|                                        | (₹ in Crore)              |                           |
|----------------------------------------|---------------------------|---------------------------|
|                                        | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Balances with Government Authorities   | 268.44                    | 103.43                    |
| Other Receivables from Related Parties | 0.55                      | -                         |
| Advances to Suppliers                  | 184.96                    | 119.85                    |
| Less: Loss Allowance                   | (0.04)                    | (0.04)                    |
| Others (includes Prepayments)          | 90.32                     | 66.60                     |
|                                        | 544.23                    | 289.84                    |

# Notes

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## 2.14 EQUITY SHARE CAPITAL

### 2.14.1 Authorised

|                                                                                                | (₹ in Crore)              |                           |
|------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| 1,472,500,000 Equity Shares of ₹ 2/- each<br>(Previous Year: 597,500,000 Shares of ₹ 2/- each) | 294.50                    | 119.50                    |
| Redeemable Cumulative Preference Shares of ₹ 100/- each                                        |                           |                           |
| 150,000 15% "A" Series                                                                         | -                         | 1.50                      |
| 100,000 8.57% "B" Series                                                                       | -                         | 1.00                      |
| 300,000 9.30% "C" Series                                                                       | -                         | 3.00                      |
| 50,000 11%                                                                                     | -                         | 0.50                      |
| 1,100,000 Redeemable Cumulative Preference Shares<br>of ₹ 100/- each                           | 11.00                     | -                         |
|                                                                                                | 305.50                    | 125.50                    |

### 2.14.2 Issued, Subscribed and Fully Paid-up

|                                                                                                                                                                                                                                                                  | (₹ in Crore)              |                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                                                                                                                                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| 657,371,435 Equity Shares of ₹ 2/- each (Previous Year: 466,837,110<br>Shares of ₹ 2/- each) fully paid-up                                                                                                                                                       | 131.47                    | 93.37                     |
| <b>Share Capital Suspend:</b>                                                                                                                                                                                                                                    |                           |                           |
| 28,295 Equity Shares of ₹ 2/- each (Previous Year 28,295 Shares of<br>₹ 2/- each) to be issued as fully paid-up pursuant to acquisition of<br>Cement Business of Aditya Birla Nuvo Limited under Scheme of<br>Arrangement without payment being received in cash | 0.01                      | *                         |
|                                                                                                                                                                                                                                                                  | 131.48                    | 93.37                     |

\* ₹ 56,590

#### Shares kept in Abeyance

Pursuant to provisions of section 126 of the Companies Act, 2013, the issue of 61,985 equity shares are kept in abeyance.

### 2.14.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspend)

|                                                             | Number of Shares |                  | (₹ in Crore)                 |                              |
|-------------------------------------------------------------|------------------|------------------|------------------------------|------------------------------|
|                                                             | Current<br>Year  | Previous<br>Year | As at<br>31st March,<br>2018 | As at<br>31st March,<br>2017 |
| Outstanding as at the beginning of the year<br>(Pre-split)  | 466,865,405      | 93,360,985       | 93.37                        | 93.36                        |
| Adjustment for Sub-Division of Equity Shares                | -                | 373,443,940      | -                            | -                            |
| Outstanding as at the beginning of the year<br>(Post-split) | 466,865,405      | 466,804,925      | 93.37                        | 93.36                        |

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|                                                                                                     | Number of Shares |               | (₹ in Crore)           |                        |
|-----------------------------------------------------------------------------------------------------|------------------|---------------|------------------------|------------------------|
|                                                                                                     | Current Year     | Previous Year | As at 31st March, 2018 | As at 31st March, 2017 |
| Issued during the year to the Shareholders of ABNL pursuant to the Scheme of Merger [Note 4.11 (A)] | 190,462,665      | -             | 38.09                  | -                      |
| Issued during the year under Employee Stock Option Scheme                                           | 71,660           | 106,580       | 0.02                   | 0.02                   |
| Less: Cancellation from Shares Capital Suspense Account                                             | -                | 46,100        | -                      | 0.01                   |
| Outstanding as at the end of the year                                                               | 657,399,730      | 466,865,405   | 131.48                 | 93.37                  |

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

The Company has only one class of Equity Shares having a par value of ₹ 2/- per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

## 2.14.5 The Company does not have any Holding Company.

## 2.14.6 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

|                                                   | Current Year  |           | Previous Year |           |
|---------------------------------------------------|---------------|-----------|---------------|-----------|
|                                                   | No. of Shares | % Holding | No. of Shares | % Holding |
| Turquoise Investments and Finance Private Limited | 42,119,836    | 6.41%     | 29,541,705    | 6.33%     |
| Trapti Trading and Investments Private Limited    | 41,525,217    | 6.32%     | 27,389,315    | 5.87%     |
| Life Insurance Corporation of India               | 38,176,351    | 5.81%     | 28,952,784    | 6.20%     |
| TGS Investment and Trade Private Limited          | 35,882,075    | 5.46%     | -             | 0%        |
| IGH Holdings Private Limited                      | 33,491,293    | 5.09%     | -             | 0%        |

|        |                                                                                                                                                                        |            |       |            |        |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------|------------|--------|
| 2.14.7 | Equity Shares of ₹ 2/- each (Previous Year: ₹ 2/- each) represented by Global Depository Receipts (GDRs) (GDR holders have voting rights as per the Deposit Agreement) | 45,396,998 | 6.91% | 48,534,477 | 10.40% |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------|------------|--------|

|        |                                                                                                                                                                                                                |  |  |  |  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|
| 2.14.8 | Shares reserved for issue under options and contracts, including the terms and amounts: For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company (Refer Note 4.8). |  |  |  |  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|

|        |                                                                                                                                                                             |             |  |           |  |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--|-----------|--|
| 2.14.9 | 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 | 197,770,950 |  | 7,308,420 |  |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--|-----------|--|

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 2.15 OTHER EQUITY

|                                                       | (₹ in Crore)              |                           |
|-------------------------------------------------------|---------------------------|---------------------------|
|                                                       | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Securities Premium Reserve                            | 23,672.95                 | 50.26                     |
| General Reserve                                       | 11,464.40                 | 10,389.08                 |
| Capital Reserve                                       | 3,670.17                  | 38.94                     |
| Retained Earnings                                     | 3,765.46                  | 3,434.87                  |
| Debenture Redemption Reserve                          | 72.08                     | -                         |
| Debt Instruments through Other Comprehensive Income   | 7.20                      | 8.49                      |
| Equity Instruments through Other Comprehensive Income | 1,986.19                  | 2,195.18                  |
| Hedging Reserve                                       | (2.87)                    | -                         |
| Employee Share Option Outstanding                     | 22.77                     | 20.79                     |
|                                                       | <b>44,658.35</b>          | <b>16,137.61</b>          |

For Reserve Movement: Refer Statement of Changes in Equity

The Description of the nature and purpose of each reserve within equity is as follows:

- (a.) **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.
- (b.) **General Reserve:** It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.
- (c.) **Capital Reserve:** Capital Reserve is mainly the reserve created during business combination of erstwhile Aditya Birla Chemicals (India) Limited and Aditya Birla Nuvo Limited with the Company.
- (d.) **Debenture Redemption Reserve:** The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the Company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.
- (e.) **Debt Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of debt instruments measured at fair value through OCI, net of amount reclassified to Statement of Profit and Loss on disposal of such instruments.
- (f.) **Equity Instrument through OCI:** It represents the cumulative gains/(losses) arising on the revaluation of Equity Shares (other than investments in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI.
- (g.) **Hedging Reserve:** It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.
- (h.) **Employee Share Option Outstanding:** The Company has stock option schemes under which options to subscribe for the Company's shares have been granted to certain employees, including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.



# Notes

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## 2.16 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Carried at Amortised Cost, except otherwise stated)

|                                         | (₹ in Crore)              |                           |
|-----------------------------------------|---------------------------|---------------------------|
|                                         | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Secured:</b>                         |                           |                           |
| Rupee Term Loans from Banks             | 131.28                    | 376.20                    |
| <b>Unsecured:</b>                       |                           |                           |
| Subsidised Government Loan (Note 4.7.2) | 13.12                     | 7.48                      |
| Non-Convertible debentures              | 514.69                    | -                         |
| External Commercial Borrowing           | 194.07                    | -                         |
|                                         | <b>853.16</b>             | <b>383.68</b>             |

### 2.16.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | (₹ in Crore) |             |               |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|---------------|-------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Current Year |             | Previous Year |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Current *    | Non-Current | Current *     | Non-Current |
| <b>Secured Long-term Borrowings:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |              |             |               |             |
| <b>(i) Rupee Term Loan from Banks</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |              |             |               |             |
| (a) Rupee Term Loan secured by first charge on movable fixed assets acquired facility with exclusive charge on certain assets, of the Company located at Nagda (SFD) under the Kharach (Staple Fibre Division) and Harihar (Staple Fibre and Pulp Divisions).<br><br>Repayment Terms: 32 quarterly Instalments starting from 1st July, 2010.<br>1st Tranch of 8 instalments of ₹ 5.63 Crore each, 2nd Tranch of 8 instalments of ₹ 7.50 Crore each, 3rd Tranch of 8 instalments of ₹ 11.25 Crore each, and 4th Tranch of 8 instalments of ₹ 13.13 Crore each. | -            | -           | 39.38         | -           |
| (b) Rupee Term Loan secured by first charge on the entire Plant and Machinery of the Company located at Vilayat (Grasim Cellulosic Division).<br><br>Repayment Terms: 20 quarterly instalments starting from 4th April, 2014.<br>1st Tranch of 2 instalments of ₹ 18 Crore each, 2nd Tranch of 4 instalments of ₹ 22.50 Crore each, 3rd Tranch of 4 instalments of ₹ 33.75 Crore each, 4th Tranch of 4 instalments of ₹ 45 Crore each, 5th Tranch of 4 instalments of ₹ 56.25 Crore each, and 6th Tranch of 2 instalments of ₹ 117 Crore each.                | 346.50       | -           | 202.50        | 346.50      |

# Notes

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (₹ in Crore) |             |               |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|---------------|-------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Current Year |             | Previous Year |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Current *    | Non-Current | Current *     | Non-Current |
| (c) Rupee Term Loan secured by exclusive charge on specific movable fixed assets or 1st pari-passu charge on movable fixed assets of Nagda (Staple Fibre Division).<br>Repayment Terms: 20 quarterly instalments starting from 31st August, 2016. 1st Tranch of 4 instalments of ₹ 0.82 Crore each, 2nd Tranch of 4 instalments of ₹ 1.14 Crore each, 3rd Tranch of 4 instalments of ₹ 1.59 Crore each, 4th Tranch of 4 instalments of ₹ 2.05 Crore each, and 5th Tranch of 4 instalments of ₹ 3.50 Crore each.     | 5.91         | 23.79       | 4.23          | 29.70       |
| (d) Term loan secured by way of first pari passu charge over movable assets of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra.<br>Repayment Terms: 21 quarterly instalments from 19th December, 2016. 1st Tranch of 4 instalments of ₹ 0.32 Crore each, 2nd Tranch of 4 instalments of ₹ 0.39 Crore each, 3rd Tranch of 4 instalments of ₹ 0.47 Crore each, 4th Tranch of 4 instalments of ₹ 0.63 Crore each, and 5th Tranch of 5 instalments of ₹ 1.70 Crore each.             | 1.73         | 11.99       | -             | -           |
| (e) Term loan secured by way of first pari passu charge on movable fixed assets (save and except-current assets) of the Company's Rayon Division Plant at Veraval, Textile Division Plant at Rishra.<br>Repayment Terms : 10 half yearly instalments from 30th June 2015. 1st Tranch of 4 instalments of ₹ 0.50 Crore each, 2nd Tranch of 2 instalments of ₹ 1.00 Crore each, 3rd Tranch of 2 instalments of ₹ 9.00 Crore each, 4th Tranch of 1 installment of ₹ 10.00 Crore, and last installment of ₹ 1.00 Crore. | 18.00        | 11.00       | -             | -           |
| (f) Term loan secured by way of first pari passu charge created by hypothecation of the entire movable fixed assets of the Company's Excel Fiber Division Plant at Kharach.                                                                                                                                                                                                                                                                                                                                         |              |             |               |             |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Current Year  |               | Previous Year |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Current *     | Non-Current   | Current *     | Non-Current   |
| Repayment Terms: 9 half yearly instalments from 1st April 2020. 1st Tranch of instalment of ₹ 6.90 Crore, and 2nd Tranch of 8 instalments of ₹ 6.95 Crore each.                                                                                                                                                                                                                                                                                                                                                                                                       | -             | 62.50         | -             | -             |
| (g) Term loan secured by way of first pari passu charge on existing and future movable fixed assets of the Indian Rayon Divison Plant at Gujarat and Textile Division Plant at West Bengal. The Charge to be shared with HDFC Bank and SBI.<br><br>Repayment Terms: 20 quarterly instalments from 3rd September, 2016. 1st Tranch of 4 instalments of ₹ 0.56 Crore each, 2nd Tranch of 8 instalments of ₹ 1.12 Crore each, 3rd Tranch of 4 instalments of ₹ 1.35 Crore each, and 4th Tranch of 4 instalments of ₹ 1.46 Crore each.                                    | 4.49          | 12.34         | -             | -             |
| (h) Term loan secured by exclusive charge on the specific assets of the proposed expansion of the Company's Rayon Divison Plant at Veraval and Textile Division Plant at Rishra.<br><br>Repayment Terms: 10 half-yearly instalments from 29th July, 2015. 1st Tranch of 3 instalments of ₹ 0.74 Crore each, 2nd Tranch of 3 instalments of ₹ 1.48 Crore each and 3rd Tranch of 4 instalments of ₹ 4.83 Crore each.<br><br>Effective cost for the above loans are in the range of 4.83% to 4.22% per annum. (Previous Year: in the range of 6.81% to 4.83% per annum). | 9.66          | 9.66          | -             | -             |
| <b>(ii) Finance Lease Liability</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |               |               |               |
| Finance Lease Obligation is secured by hypothecation of plant and machinery taken on lease Repayment Terms : Lease obligation plus interest is payable in 19 quarterly instalments of ₹ 0.06 Crore each.<br><br>Effective cost for the above loan is 8.98% per annum.                                                                                                                                                                                                                                                                                                 | 0.23          | -             | -             | -             |
| <b>Total Secured Borrowings (I)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>386.52</b> | <b>131.28</b> | <b>246.11</b> | <b>376.20</b> |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

|                                                                                                                            | Current Year |             | Previous Year |             |
|----------------------------------------------------------------------------------------------------------------------------|--------------|-------------|---------------|-------------|
|                                                                                                                            | Current *    | Non-Current | Current *     | Non-Current |
| <b>Unsecured Long-Term Borrowings:</b>                                                                                     |              |             |               |             |
| <b>(a) Foreign Currency Term Loan from Banks</b>                                                                           |              |             |               |             |
| Foreign Currency Loan from Bank                                                                                            | -            | 194.07      | -             | -           |
| Repayment Terms: 3 equal yearly installments of ₹ 65.25 Crore each from 20th August 2019.                                  |              |             |               |             |
| Effective cost for the above loan is 8.19% per annum.                                                                      |              |             |               |             |
| <b>(b) Non- Convertible Debentures</b>                                                                                     |              |             |               |             |
| (i) 9.00% 30th Series Non-Convertible Debentures                                                                           | -            | 209.34      | -             | -           |
| Repayment Terms: Redeemable at par on 10th May 2023.                                                                       |              |             |               |             |
| (ii) 8.68% 31st Series Non- Convertible Debentures                                                                         | -            | 305.35      | -             | -           |
| Repayment Terms: Redeemable at par on 2nd February 2020.                                                                   |              |             |               |             |
| - The Company has rights to keep this debentures alive for the purpose of reissue.                                         |              |             |               |             |
| <b>(c) Deferred Sales Tax Loans (Interest Free) (Commercial Tax Department) (from Gujarat State Government)</b>            |              |             |               |             |
| - Repayable in six annual instalments starting from 31st May, 2012                                                         | -            | -           | 10.89         | -           |
| - Repayable after ten years from the respective year in which the actual tax was collected, starting from 14th March, 2011 | -            | -           | -             | -           |
| <b>(d) Industrial Investment Promotion Scheme - 2012 (At Amortised Cost) (from Uttar Pradesh State Government)</b>         |              |             |               |             |
| - Repayable on 27th March, 2022                                                                                            | -            | 0.66        | -             | 0.60        |
| - Repayable on 7th August, 2023                                                                                            | -            | 3.64        | -             | 3.33        |
| - Repayable on 25th December, 2023                                                                                         | -            | 3.88        | -             | 3.55        |
| - Repayable on 29th October, 2024                                                                                          | -            | 4.67        | -             | -           |
| - Repayable on 30th November, 2024                                                                                         | -            | 0.27        | -             | -           |
| <b>Total Unsecured Borrowings (II)</b>                                                                                     | -            | 721.88      | 10.89         | 7.48        |
| <b>Total Borrowings (I + II)</b>                                                                                           | 386.52       | 853.16      | 257.00        | 383.68      |

\* Amount disclosed as Current Maturities of Long-term Debts under the head 'Other Current Financial Liabilities' (Note 2.23)



# Notes

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## 2.16.2 Maturity Profile of Non-Current Borrowings (including Current Maturities) is as set out below:

(₹ in Crore)

|                                                                                    | Within 1 Years | Maturity Profile |               |                 |
|------------------------------------------------------------------------------------|----------------|------------------|---------------|-----------------|
|                                                                                    |                | 2-4 Years        | 5-6 Years     | 7 Years & Above |
| <b>Secured:</b>                                                                    |                |                  |               |                 |
| Rupee Term Loans from Banks                                                        | 386.29         | 131.27           | -             | -               |
| Finance Lease Obligation<br>{Refer Note 4.7.3(iii)}                                | 0.23           | -                | -             | -               |
| <b>Unsecured</b>                                                                   |                |                  |               |                 |
| Deferred Sales Tax Loans<br>(includes amount recognised in<br>Notes 2.20 and 2.24) | -              | -                | 0.95          | 20.33           |
| Non-Convertible Debentures                                                         | -              | 300.00           | 200.00        | -               |
| Foreign Currency Loans                                                             | -              | 195.75           | -             | -               |
| <b>Total</b>                                                                       |                |                  |               |                 |
| <b>Current Year</b>                                                                | <b>386.52</b>  | <b>627.02</b>    | <b>200.95</b> | <b>20.33</b>    |
| <b>Previous Year</b>                                                               | <b>257.00</b>  | <b>372.70</b>    | <b>16.65</b>  | <b>-</b>        |

**2.16.3** - Foreign Currency Loans have been fully hedged for foreign exchange and interest rate fluctuation.

-The above figures are as per IND AS (including Mark to Market and Amortisation)

## 2.17 OTHER FINANCIAL LIABILITIES (Non Current)

(₹ in Crore)

|                             | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|-----------------------------|---------------------------|---------------------------|
| Security and Other Deposits | 5.58                      | 2.70                      |
|                             | 5.58                      | 2.70                      |

## 2.18 NON-CURRENT PROVISIONS

(₹ in Crore)

|                                          | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|------------------------------------------|---------------------------|---------------------------|
| For Employee Benefits (Pension)          | 30.97                     | 7.60                      |
| For Warranty Provision {Note 2.25.1 (b)} | 0.35                      | -                         |
|                                          | 31.32                     | 7.60                      |

# Notes

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## 2.19 DEFERRED TAX LIABILITIES (NET)

| (₹ in Crore)                                                            |                                              |                                                                          |                                                     |                        |                                                  |                                  |                              |
|-------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------|------------------------|--------------------------------------------------|----------------------------------|------------------------------|
| As at<br>31st March,<br>2017                                            | Transferred<br>from ABNL<br>on its<br>Merger | Acquisition<br>of Rights<br>to Manage<br>and Operate<br>Century<br>Rayon | Demerger<br>of Financial<br>Services<br>Undertaking | MAT Credit<br>Utilised | Charge for the Current Year<br>Profit or<br>Loss | Other<br>Comprehensive<br>Income | As at<br>31st March,<br>2018 |
| <b>Deferred Tax Liabilities:</b>                                        |                                              |                                                                          |                                                     |                        |                                                  |                                  |                              |
| Accumulated Depreciation                                                | 1,039.86                                     | 465.49                                                                   | 1.94                                                | -                      | - 87.96                                          | -                                | <b>1,595.25</b>              |
| Fair Valuation of Equity<br>Instruments and Bonds<br>measured at FVTOCI | 109.63                                       | -                                                                        | -                                                   | -                      | - -                                              | 45.53                            | <b>155.16</b>                |
| Fair Valuation of Mutual Funds<br>measured at FVTPL                     | -                                            | -                                                                        | -                                                   | -                      | - 12.75                                          | -                                | <b>12.75</b>                 |
| Fair Valuation of Land and<br>Inventory acquired on Merger              | -                                            | 195.21                                                                   | 3.02                                                | (3.61)                 | - (4.28)                                         | -                                | <b>190.34</b>                |
| Fair Valuation of Investments<br>acquired on Merger                     | -                                            | 386.74                                                                   | -                                                   | (99.65)                | - 2.79                                           | -                                | <b>289.88</b>                |
| Others                                                                  | 0.81                                         | 4.39                                                                     | -                                                   | -                      | - (3.16)                                         | 0.95                             | <b>2.99</b>                  |
|                                                                         | <b>1,150.30</b>                              | <b>1,051.83</b>                                                          | <b>4.96</b>                                         | <b>(103.26)</b>        | <b>- 96.06</b>                                   | <b>46.48</b>                     | <b>2,246.37</b>              |
| <b>Deferred Tax Assets:</b>                                             |                                              |                                                                          |                                                     |                        |                                                  |                                  |                              |
| Accrued Expenses Allowable on<br>Payment Basis                          | 16.04                                        | 28.24                                                                    | -                                                   | -                      | - (5.80)                                         | -                                | <b>38.48</b>                 |
| Expenses Allowable in<br>Instalments in Income Tax                      | 21.13                                        | 1.08                                                                     | -                                                   | -                      | - 54.85                                          | -                                | <b>77.06</b>                 |
| Provision for Contingencies<br>Allowable on Payment Basis               | 9.90                                         | 42.31                                                                    | -                                                   | -                      | - 9.09                                           | -                                | <b>61.30</b>                 |
| Income Tax Interest offered for<br>tax, to be claimed in future         | 21.33                                        | -                                                                        | -                                                   | -                      | - 0.21                                           | -                                | <b>21.54</b>                 |
| MAT Credit Entitlement                                                  | 414.42                                       | 58.56                                                                    | -                                                   | -                      | (269.52) -                                       | -                                | <b>203.46</b>                |
| Fair Valuation of Borrowings<br>acquired on Merger                      | -                                            | 7.51                                                                     | -                                                   | -                      | - (2.07)                                         | -                                | <b>5.44</b>                  |
| Fair Valuation of Preference<br>Shares measured at FVTPL                | 4.50                                         | -                                                                        | -                                                   | -                      | - (1.76)                                         | -                                | <b>2.74</b>                  |
| Others (Impairment in value of<br>Investment)                           | -                                            | -                                                                        | -                                                   | -                      | - 1.39                                           | -                                | <b>1.39</b>                  |
|                                                                         | <b>487.32</b>                                | <b>137.70</b>                                                            | <b>-</b>                                            | <b>-</b>               | <b>(269.52) 55.91</b>                            | <b>-</b>                         | <b>411.41</b>                |
| <b>Deferred Tax Liabilities (Net)</b>                                   | <b>662.98</b>                                | <b>914.13</b>                                                            | <b>4.96</b>                                         | <b>(103.26)</b>        | <b>(269.52) 40.15</b>                            | <b>46.48</b>                     | <b>1,834.96</b>              |

# Notes

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## 2.20 OTHER NON-CURRENT LIABILITIES

|                                                                           | (₹ in Crore)              |                           |
|---------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                           | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Other Creditors                                                           | 21.81                     | 22.21                     |
| Deferred Revenue from Government Grant on interest free loan (Note 4.7.2) | 7.01                      | 4.97                      |
| Deferred Government Subsidy (Note 4.7.2)                                  | 6.15                      | -                         |
| Other Liabilities                                                         | 3.71                      | 2.31                      |
|                                                                           | <b>38.68</b>              | <b>29.49</b>              |

## 2.21 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Carried at Amortised Cost, except otherwise stated)

|                                                                         | (₹ in Crore)              |                           |
|-------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                         | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Loans Repayable on Demand from Banks</b>                             |                           |                           |
| <b>Secured:</b>                                                         |                           |                           |
| Working Capital Borrowings (Note 2.21.1)                                |                           |                           |
| Rupee Loans                                                             | 24.99                     | 60.81                     |
| Documentary Demand Bills/Usance Bills under Letter of Credit discounted | 19.51                     | -                         |
| <b>Unsecured:</b>                                                       |                           |                           |
| Working Capital Borrowings                                              |                           |                           |
| Foreign Currency Loans                                                  | 715.41                    | -                         |
| Rupee Loans                                                             | 469.41                    | -                         |
| <b>Other Loans</b>                                                      |                           |                           |
| <b>Unsecured:</b>                                                       |                           |                           |
| Commercial Papers*                                                      | 500.00                    | -                         |
|                                                                         | <b>1,729.32</b>           | <b>60.81</b>              |
| * Maximum balance outstanding during the year.                          | <b>1,150.00</b>           | <b>-</b>                  |

2.21.1 Working Capital Borrowings are secured by hypothecation of stocks and book debts of the Company.

## 2.22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(Carried at Amortised Cost, except otherwise stated)

|                                                  | (₹ in Crore)              |                           |
|--------------------------------------------------|---------------------------|---------------------------|
|                                                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Due to Micro and Small Enterprises (Note 4.7.1)# | 10.52                     | 2.05                      |
| Due to Related Parties (Note 4.5.4)              | 234.16                    | 175.62                    |
| Others                                           | 1,887.11                  | 936.26                    |
|                                                  | <b>2,131.79</b>           | <b>1,113.93</b>           |

#This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 2.23 CURRENT - OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

|                                                                                               | (₹ in Crore)              |                           |
|-----------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Current Maturities of Long-term Debts (Note 2.16.1)                                           | 386.29                    | 257.00                    |
| Current Maturities of Finance Lease Obligations (Note 2.16.1)                                 | 0.23                      | -                         |
| Interest Accrued but not Due on Borrowings                                                    | 24.65                     | 5.23                      |
| Unclaimed Dividends (Amount Transferable to Investor Education and Protection Fund, when due) | 14.87                     | 16.37                     |
| Security and Other Deposits (Trade Deposits)                                                  | 87.38                     | 23.22                     |
| Liability for Capital Goods                                                                   | 64.11                     | 12.87                     |
| Derivative Liability                                                                          | 24.96                     | 11.15                     |
| Other Payables (including Retention Money, Liquidated Damages, etc.)                          | 56.10                     | 38.34                     |
|                                                                                               | <b>658.59</b>             | <b>364.18</b>             |

## 2.24 OTHER CURRENT LIABILITIES

|                                                                           | (₹ in Crore)              |                           |
|---------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                           | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Statutory Liabilities                                                     | 229.11                    | 69.87                     |
| Advance from Customers                                                    | 86.41                     | 55.67                     |
| Accrued Expenses Brokerage and Discount                                   | 122.99                    | 174.98                    |
| Deferred Revenue from Government Grant on interest free loan (Note 4.7.2) | 1.15                      | 0.70                      |
| Deferred Government Subsidy                                               | 6.66                      | 0.05                      |
| Other Payables                                                            | 474.37                    | 296.73                    |
|                                                                           | <b>920.69</b>             | <b>598.00</b>             |

## 2.25 CURRENT PROVISIONS

|                                                                | (₹ in Crore)              |                           |
|----------------------------------------------------------------|---------------------------|---------------------------|
|                                                                | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| For Employee Benefits (Gratuity, Leave Encashment and Pension) | 170.71                    | 83.30                     |
| For Assets Transfer Cost (Note 2.25.1 (a))                     | 234.87                    | 71.68                     |
| For Warranty Provision (Note 2.25.1 (b))                       | 1.42                      | -                         |
| For Provision against Contingent Liability (Note 2.25.1 (c))   | 70.39                     | -                         |
|                                                                | <b>477.39</b>             | <b>154.97</b>             |



# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 2.25.1 Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset"

### (a) Provision for Cost of Transfer of Assets:

|                                   | (₹ in Crore)              |                           |
|-----------------------------------|---------------------------|---------------------------|
|                                   | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Opening Balance                   | 71.68                     | 83.95                     |
| Add: Provision during the year    | 213.59                    | -                         |
| Less: Utilisation during the year | 25.62                     | 12.27                     |
| Less: Unused amount reversed      | 24.78                     | -                         |
| <b>Closing Balance</b>            | <b>234.87</b>             | <b>71.68</b>              |

During the current year, provision for asset transfer cost relates to merger of ABNL, which 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 ABNL in the name of the Company.

### (b) Warranty Provision:

|                                      | (₹ in Crore)              |                           |
|--------------------------------------|---------------------------|---------------------------|
|                                      | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Opening Balance (Acquired on merger) | 1.77                      | -                         |
| <b>Closing Balance</b>               | <b>1.77</b>               | <b>-</b>                  |
| Non-Current                          | 0.35                      | -                         |
| Current                              | 1.42                      | -                         |

Provision is recognised for expected warranty claims on Insulator product sold during the last three years based on the past experience of level of returns and replacements.

### (c) Provision against Contingent Liability

|                                | (₹ in Crore)              |                           |
|--------------------------------|---------------------------|---------------------------|
|                                | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Opening Balance                | -                         | -                         |
| Add: Provision during the year | 70.39                     | -                         |
| <b>Closing Balance</b>         | <b>70.39</b>              | <b>-</b>                  |

During the current year, as per Ind-AS 103 (business combination), the Company has to recognise on the acquisition date the contingent liability assumed in a business combination, if it is a present obligation that arises from past events and its fair value can be measured reliably, even if it is not probable that an outflow of resources will be required to settle the obligation.

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 3.1 SALE OF PRODUCTS AND SERVICES #

|                  | (₹ in Crore) |               |
|------------------|--------------|---------------|
|                  | Current Year | Previous Year |
| Sale of Products | 15,829.96    | 11,111.06     |
| Sale of Services | 18.38        | -             |
|                  | 15,848.34    | 11,111.06     |

#With effect from 1st July, 2017, sales are recorded net of Goods and Service Tax (GST), whereas prior to 1st July, 2017, sales were recorded gross of excise duty which formed part of expenses. Hence, revenue from operations for the year ended 31st March, 2018, and Excise duty in expenses are not comparable with figures of previous year.

## 3.2 OTHER OPERATING REVENUES

|                                                                                                         | (₹ in Crore)     |                  |
|---------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                         | Current Year     | Previous Year    |
| Export Incentives                                                                                       | 60.29            | 41.22            |
| Power Sales                                                                                             | 22.29            | 19.29            |
| Rent Income                                                                                             | 3.33             | 3.04             |
| Scrap Sales (Net)                                                                                       | 51.56            | 33.48            |
| Other Miscellaneous Income (Insurance Claim, Sales Tax Incentive, Freight, Transportation Income, etc.) | 48.90            | 44.86            |
|                                                                                                         | 186.37           | 141.89           |
| <b>REVENUE FROM OPERATIONS (3.1 + 3.2)</b>                                                              | <b>16,034.71</b> | <b>11,252.95</b> |

## 3.3 OTHER INCOME

|                                                                         | (₹ in Crore) |               |
|-------------------------------------------------------------------------|--------------|---------------|
|                                                                         | Current Year | Previous Year |
| <b>Interest Income on:</b>                                              |              |               |
| Non-Current Investments - Debentures or Bonds (measured at FVTOCI)      | 12.37        | 12.74         |
| Bank Accounts and Others                                                | 42.09        | 103.57        |
| Deferred Sales Tax Loan (Carried at Amortised Cost) {Note 4.7.2}        | 0.88         | 0.41          |
| <b>Dividend Income from:</b>                                            |              |               |
| Subsidiaries, Joint Ventures and Associates Companies (carried at cost) | 168.36       | 174.65        |
| Non-Current Investments - Others (measured at FVTOCI)                   | 18.61        | 14.41         |
| Investments - Mutual Funds' Units (measured at FVTPL)                   | 39.82        | 12.74         |
| <b>Profit on Sale of:</b>                                               |              |               |
| Investments (Net) - Mutual Funds' Units (measured at FVTPL)             | 14.82        | 21.57         |
| <b>Gain on Fair Valuation of:</b>                                       |              |               |
| Preference Shares (measured at FVTPL)                                   | 8.93         | -             |
| Mutual Funds' Units (measured at FVTPL)                                 | 113.35       | 119.59        |
| Mark to Market Gain on derivative instruments                           | 8.30         | 2.40          |
| Other Non-Operating Income                                              | 33.83        | 11.85         |
|                                                                         | 461.36       | 473.93        |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 3.4 COST OF MATERIALS CONSUMED

|                                                                              | (₹ in Crore) |               |
|------------------------------------------------------------------------------|--------------|---------------|
|                                                                              | Current Year | Previous Year |
| Opening Stock                                                                | 1,165.62     | 964.28        |
| Add : Stock transferred from ABNL pursuant to Scheme of Merger               | 194.31       | -             |
| Add : Stock transferred from Century Rayon pursuant to Scheme of Arrangement | 42.18        | -             |
| Add : Purchases and Incidental Expenses                                      | 7,329.08     | 4,885.90      |
| Less : Sales                                                                 | 19.57        | 4.29          |
| Less : Closing Stock                                                         | 1,623.47     | 1,165.62      |
|                                                                              | 7,088.15     | 4,680.27      |

## 3.5 PURCHASES OF STOCK-IN-TRADE

|                            | (₹ in Crore) |               |
|----------------------------|--------------|---------------|
|                            | Current Year | Previous Year |
| Purchase of Finished Goods | 170.48       | 59.68         |
|                            | 170.48       | 59.68         |

## 3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

|                                                                             | (₹ in Crore) |               |
|-----------------------------------------------------------------------------|--------------|---------------|
|                                                                             | Current Year | Previous Year |
| <b>Opening Stock</b>                                                        |              |               |
| Finished Goods                                                              | 309.29       | 397.99        |
| Stock-in-Trade                                                              | 0.53         | 5.61          |
| Work-in-Progress                                                            | 32.40        | 33.48         |
| Waste/Scrap                                                                 | 4.25         | 4.86          |
| Add: Stock transferred from ABNL pursuant to Scheme of Merger               | 353.60       | -             |
| Add: Stock transferred from Century Rayon pursuant to Scheme of Arrangement | 61.00        | -             |
|                                                                             | 761.07       | 441.94        |
| <b>Less : Closing Stock:</b>                                                |              |               |
| Finished Goods                                                              | 489.60       | 309.29        |
| Stock-in-Trade                                                              | 23.03        | 0.53          |
| Work-in-Progress                                                            | 161.83       | 32.40         |
| Waste/Scrap                                                                 | 5.50         | 4.25          |
|                                                                             | 679.96       | 346.47        |
| <b>(Increase)/Decrease in Stocks</b>                                        | 81.11        | 95.47         |
| Less : (Increase)/Decrease in Excise Duty on Stocks                         | 29.24        |               |
| <b>(Increase)/Decrease in Stocks</b>                                        | 51.87        | 95.47         |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 3.7 EMPLOYEE BENEFITS EXPENSE

|                                                                   |                                                                                                                                                   | (₹ in Crore) |               |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                   |                                                                                                                                                   | Current Year | Previous Year |
| Salaries, Wages and Bonus                                         |                                                                                                                                                   | 997.47       | 588.96        |
| Contribution to Provident and Other Funds (Notes 4.6.1.3 & 4.6.2) |                                                                                                                                                   | 64.75        | 36.40         |
| Contribution to Gratuity Fund (Note 4.6.1)                        |                                                                                                                                                   | 22.07        | 12.26         |
| Staff Welfare Expenses                                            |                                                                                                                                                   | 58.26        | 35.05         |
| Expenses on Employee Stock Option Scheme (Note 4.8.5)             |                                                                                                                                                   | 0.17         | 5.33          |
|                                                                   |                                                                                                                                                   | 1,142.72     | 678.00        |
| 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 | 0.69         | 0.47          |

## 3.8 FINANCE COSTS

(Financial Liabilities measured at Amortised Cost)

|                                                           |  | (₹ in Crore) |               |
|-----------------------------------------------------------|--|--------------|---------------|
|                                                           |  | Current Year | Previous Year |
| Interest Expenses #                                       |  | 120.17       | 56.39         |
| Other Borrowing Costs                                     |  | 0.37         | 0.40          |
| Interest on Subsidised Government Loan (Note 4.7.2)       |  | 0.88         | 0.41          |
| Exchange (Gain)/Loss on Foreign Currency Borrowings (Net) |  | 7.37         | 0.42          |
|                                                           |  | 128.79       | 57.62         |
| Less: Capitalised                                         |  | 0.66         | -             |
|                                                           |  | 128.13       | 57.62         |
| # Net of Interest Subsidy from Government                 |  | 28.60        | 35.77         |

## 3.9 OTHER EXPENSES

### 3.9.1 Manufacturing Expenses

|                                                                            |  | (₹ in Crore) |               |
|----------------------------------------------------------------------------|--|--------------|---------------|
|                                                                            |  | Current Year | Previous Year |
| Consumption of Stores, Spare Parts and Components, and Incidental Expenses |  | 361.96       | 195.93        |
| Consumption of Packing Materials                                           |  | 190.41       | 112.80        |
| Processing and Other Charges                                               |  | 199.41       | 98.25         |
| Repairs to Buildings                                                       |  | 55.18        | 29.53         |
| Repairs to Machinery                                                       |  | 173.46       | 129.98        |
| Repairs to Other Assets                                                    |  | 53.47        | 24.65         |



# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 3.9.2 Administration, Selling and Distribution Expenses

|                                                                 | (₹ in Crore) |               |
|-----------------------------------------------------------------|--------------|---------------|
|                                                                 | Current Year | Previous Year |
| Advertisement                                                   | 60.25        | 25.15         |
| Sales Promotion and Other Selling Expenses                      | 101.22       | 57.59         |
| Allowance for Doubtful Debts (Net)                              | 16.87        | 5.79          |
| Insurance                                                       | 23.87        | 15.50         |
| Rent (including Lease Rent) (Note 4.7.3)                        | 37.50        | 15.61         |
| Rates and Taxes                                                 | 20.87        | 15.85         |
| Research Contribution and Expenses                              | 23.44        | 25.00         |
| Donations (Note 3.13)                                           | 12.04        | 14.47         |
| Impairment in Value of Investments (Note 2.2.5)                 | 5.95         | -             |
| Directors' Fees                                                 | 0.36         | 0.35          |
| Directors' Commission                                           | 14.88        | 12.16         |
| Exchange Rate Difference (Net)                                  | 43.29        | 24.51         |
| Loss on Fair Valuation of Preference Shares (measured at FVTPL) | -            | 2.84          |
| Loss on Sale of Property, Plant and Equipments (Net)            | 12.51        | 1.87          |
| Miscellaneous Expenses                                          | 301.62       | 199.05        |
|                                                                 | 1,708.56     | 1,006.88      |

## 3.9.3 Auditors' Remuneration (excluding Service Tax /GST) Charged to the Statement of Profit and Loss (included under Miscellaneous Expenses)

|                                                            | (₹ in Crore) |               |
|------------------------------------------------------------|--------------|---------------|
|                                                            | Current Year | Previous Year |
| <b>Payments to Statutory Auditors:</b>                     |              |               |
| Audit Fee                                                  | 2.60         | 1.52          |
| Tax Audit Fee                                              | 0.20         | 0.11          |
| Fees for Other Services                                    | 0.11         | 0.09          |
| Reimbursement of Expenses                                  | 0.07         | 0.07          |
| <b>Payments to Cost Auditors:</b>                          |              |               |
| Audit Fee                                                  | 0.10         | 0.08          |
| Fees for Other Services ₹ Nil (Previous Year: # ₹ 12,874)  | -            | #             |
| Reimbursement of Expenses ₹ Nil (Previous Year: @ ₹ 4,903) | -            | @             |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 3.10 RECONCILIATION OF EFFECTIVE TAX RATE

|                                                   | (₹ in Crore)    |                 |
|---------------------------------------------------|-----------------|-----------------|
|                                                   | Current Year    | Previous Year   |
| <b>Accounting Profit/(loss) before Income Tax</b> | <b>2,513.14</b> | <b>2,124.94</b> |
| Applicable Tax Rate                               | 34.61%          | 34.61%          |
| Income not considered for tax purpose             | -3.97%          | -5.68%          |
| Expenses not allowed for tax purpose              | 0.39%           | 0.45%           |
| Additional Allowances for tax purpose             | -0.67%          | -2.07%          |
| Effect of Change in Tax Rate                      | 0.86%           | -               |
| Tax paid at Lower Rate                            | -0.13%          | -0.04%          |
| Provision for Tax of earlier years written back   | -2.50%          | -0.36%          |
| Others                                            | 0.85%           | -0.32%          |
| <b>Effective Tax Rate</b>                         | <b>29.44%</b>   | <b>26.59%</b>   |

## 3.11 OTHER COMPREHENSIVE INCOME

|                                                                               | (₹ in Crore)    |                 |
|-------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                               | Current Year    | Previous Year   |
| <b>Items that will not be reclassified to Profit and Loss</b>                 |                 |                 |
| Equity Instrument through Other Comprehensive Income                          | (163.13)        | 1,040.18        |
| Re-measurement of Defined Benefit Plan                                        | (19.68)         | (13.17)         |
| Income Tax relating to items that will not be reclassified to Profit and Loss | (39.05)         | (20.58)         |
| <b>Items that will be reclassified to Profit and Loss</b>                     |                 |                 |
| Debt Instruments through Other Comprehensive Income                           | (1.62)          | 6.63            |
| Gain/(Loss) on Cash Flow Hedge                                                | 2.40            | -               |
| Income Tax relating to items that will be reclassified to Profit and Loss     | (0.61)          | (1.53)          |
|                                                                               | <b>(221.69)</b> | <b>1,011.53</b> |

|             |                                                                                                                                  |              |       |
|-------------|----------------------------------------------------------------------------------------------------------------------------------|--------------|-------|
| <b>3.12</b> | Revenue Expenditure on Research and Development included in different heads of expenses in the Statement of Profit and Loss      | <b>55.13</b> | 42.07 |
| <b>3.13</b> | Donations include contribution to AB General Electoral Trust. The Trust uses such funds for contribution for Political purposes. | <b>8.00</b>  | 13.00 |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 3.14 Exceptional Item represents:

- (a) an amounts of ₹ 213 Crore for provision made towards acquisition related cost (including stamp duty on asset transferred from erstwhile ABNL to the Company).
- (b) an amount of ₹ 53.96 Crore towards loss on sale of 100% equity held by the Company in Grasim Bhiwani Textiles Limited, a wholly owned subsidiary of the Company.
- (c) an amount of ₹ 24.78 Crore towards write back of provision of stamp duty related to merger of Aditya Birla Chemicals with the Company in earlier years.
- (d) an amount of ₹ 30.43 Crore towards Impairment in value of Property, Plant and Equipment.

## 3.15 Earnings Per Equity Share (EPS):

|                                                                                            | (₹ in Crore)        |                    |
|--------------------------------------------------------------------------------------------|---------------------|--------------------|
|                                                                                            | Current Year        | Previous Year      |
| <b>Net Profit for the Year Attributable to Equity Shareholders (₹ in Crore)</b>            | <b>1,768.66</b>     | <b>1,560.00</b>    |
| <b>Basic EPS:</b>                                                                          |                     |                    |
| Weighted-Average Number of Equity Shares Outstanding (Nos.) of                             | <b>6,057,01,097</b> | <b>466,800,754</b> |
| Face Value of ₹ 2/- each                                                                   |                     |                    |
| <b>Basic EPS (₹) {for Face Value of Shares of ₹ 2/- each}</b>                              | <b>29.20</b>        | <b>33.42</b>       |
| <b>Diluted EPS:</b>                                                                        |                     |                    |
| Weighted-Average Number of Equity Shares Outstanding (Nos.)                                | <b>6,057,01,097</b> | <b>466,800,754</b> |
| Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)      | <b>6,83,430</b>     | <b>5,34,979</b>    |
| Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.) | <b>6,063,84,527</b> | <b>467,335,733</b> |
| <b>Diluted EPS (₹) {for Face Value of Shares of ₹ 2/- each}</b>                            | <b>29.17</b>        | <b>33.38</b>       |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 4.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

Claims/Disputed Liabilities not acknowledged as Debts:

| Sr. No. | Nature of Statute                                                     | Brief Description of Contingent Liabilities                                                                                                           | (₹ in Crore)           |                        |
|---------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
|         |                                                                       |                                                                                                                                                       | As at 31st March, 2018 | As at 31st March, 2017 |
| I       | Customs Duty - The Customs Act, 1962                                  | - Demand of duty on import of Steam Coal during April 2012 to January 2013 classifying it as Bituminous Coal                                          | 9.71                   | 8.81                   |
|         |                                                                       | - Demand of differential duty on import of Caustic Soda Flakes under project import category                                                          | 1.18                   | 1.18                   |
|         |                                                                       | - Demand of duty on project import due to increase in rate of duty in Budget 1986-87                                                                  | 2.95                   | -                      |
|         |                                                                       | - Various cases - Duty demanded on technical know by including it in the value of imported goods and levy of additional duty/countervailing duty, etc | 1.48                   | -                      |
| II      | Excise Duty - The Central Excise Act, 1944, CENVAT Credit Rules, 2002 | - Department's appeal against CESTAT order in favour of the Company quashing excise duty demand @ 10% on transfer of electricity to other Units       | -                      | 68.11                  |
|         |                                                                       | - Appeal before CESTAT against Excise Duty demand on freight recovery from customers                                                                  | 27.82                  | 18.48                  |
|         |                                                                       | - Department's appeal before CESTAT against order of Commissioner allowing exemption under notification 30/2004-CE dated 9.7.2004                     | 11.16                  | -                      |
|         |                                                                       | - Appeal before CESTAT against excise duty demand on supplies from job workers disputing valuation                                                    | 9.04                   | 9.22                   |
|         |                                                                       | - SCN demanding duty alleging that mixing of dyes amounted to manufacture                                                                             | 8.70                   | -                      |
|         |                                                                       | - Duty demanded on clearance of waste and scrap of capital goods                                                                                      | 5.50                   | 5.18                   |
|         |                                                                       | - Appeal before CESTAT against Excise Duty demand @ 10% on steam transferred to other Units                                                           | -                      | 4.96                   |
|         |                                                                       | - Deemed credit taken on goods in stock on the date qualifying as a composite mill disputed by the Department                                         | 3.99                   | -                      |
|         |                                                                       | - Duty demanded by including subsidy received from State Government in the assessable value of goods cleared                                          | 3.88                   | 1.37                   |
|         |                                                                       | - Demand of Excise Duty on clearance of fly ash from factory                                                                                          | 2.89                   | 0.77                   |



# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

| Sr. No. | Nature of Statute                  | Brief Description of Contingent Liabilities                                                                                                                                                                                   | (₹ in Crore)              |                           |
|---------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|         |                                    |                                                                                                                                                                                                                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|         |                                    | - Demand notice disputing availment of Cenvat Credit on capital goods alleging that the capital goods were exclusively used for manufacture of exempted products                                                              | 2.58                      | -                         |
|         |                                    | - Demand disputing quantum of Cenvat Credit reversed on clearance of used capital goods                                                                                                                                       | 2.13                      | -                         |
|         |                                    | - Department appeal against CESTAT order in favour of the Company in the matter of demand of Excise Duty disputing valuation of Caustic Soda Lye supplied to other Units                                                      | 1.64                      | 1.55                      |
|         |                                    | - Appeal before CESTAT against denial of Cenvat Credit taken suo-moto after reversing in response to Departmental audit objection                                                                                             | 1.77                      | -                         |
|         |                                    | - Department appeal before High Court against the order of CESTAT allowing Cenvat Credit on opening stock despite procedural lapses                                                                                           | 1.11                      | -                         |
|         |                                    | - Demand of duty on bleached fabric captively consumed during May 1994 to August 1994                                                                                                                                         | 1.10                      | -                         |
|         |                                    | - Various cases demanding Excise Duty on removal of capital goods, removal of mercury, including value of packing material in assessable value, disallowance of Cenvat Credit on packing material used for exempted goods etc | 10.27                     | 2.84                      |
| III     | Service Tax -The Finance Act, 1994 | - Denial of Cenvat Credit on input services alleging not used for providing output services                                                                                                                                   | 36.19                     | -                         |
|         |                                    | - Demand of service tax under reverse charge mechanism alleging import of services                                                                                                                                            | 7.94                      | -                         |
|         |                                    | - Demand of service tax on goods transportation agency services through payment in cash/ PLA instead of payment made by the Company through Cenvat Balance                                                                    | 7.18                      | 6.04                      |
|         |                                    | - SCN disputing transfer of Cenvat Credit by Aditya Birla Minacs IT Services Limited and Birla Technologies Limited to Aditya Birla Minacs Worldwide Limited on merger                                                        | 6.28                      | -                         |
|         |                                    | - Demand towards availment of ineligible Cenvat Credit although reversed subsequently                                                                                                                                         | 2.69                      | -                         |
|         |                                    | - Denial of Cenvat Credit on outward transportation charges                                                                                                                                                                   | 1.77                      | -                         |
|         |                                    | - Appeal before CESTAT against denial of cenvat credit treating exports as exempt output services                                                                                                                             | 1.20                      | -                         |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

| Sr. No. | Nature of Statute                                   | Brief Description of Contingent Liabilities                                                                                                                                                                                                                                                                                                                                                         | (₹ in Crore)              |                           |
|---------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|         |                                                     |                                                                                                                                                                                                                                                                                                                                                                                                     | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|         |                                                     | - Various cases demanding service tax on banking and financial services availed, Cenvat Credit availed on goods and transportation agency services based on transporter's invoice, Cenvat Credit of services used for renovation and repairs, rejection of refund claims, reversal of credit under Rule 6 of Cenvat Credit Rules, 2004, Cenvat Credit on Rent a Cab services, outdoor catering, etc | 7.30                      | 2.14                      |
| IV      | Entry Tax laws of various states                    | - Department appeal before the Karnataka High Court in the matter of levy of Special Tax on Entry of Goods                                                                                                                                                                                                                                                                                          | 8.31                      | 7.16                      |
|         |                                                     | - Demand of entry tax in the State of Uttar Pradesh pending before the High Court                                                                                                                                                                                                                                                                                                                   | 3.75                      | 3.42                      |
| V       | Sales Tax Act/ Commercial Tax Act of various states | - Other entry tax disputes                                                                                                                                                                                                                                                                                                                                                                          | 0.21                      | -                         |
|         |                                                     | - Demand towards nonsubmission of various forms, disallowance of input credit, short reversal of credit and other matters                                                                                                                                                                                                                                                                           | 12.61                     | -                         |
| VI      | The Income Tax Act, 1961                            | - Demand u/s 201(1) & 201(1A) for non-deduction of tax at source on payment to non-resident for purchase of equity shares in Indian Company                                                                                                                                                                                                                                                         | 102.12                    | -                         |
|         |                                                     | - Demand towards various disallowances contested in appeals (disallowance u/s 14A, disallowance of additional depreciation, transfer pricing adjustments, penalty, etc)                                                                                                                                                                                                                             | 21.38                     | -                         |
| VII     | Other Statutes/ Other Claims                        | - Demand of water drawal charges and water reservation charges by Irrigation Department                                                                                                                                                                                                                                                                                                             | 182.10                    | -                         |
|         |                                                     | - Fuel surcharge demand raised by Bihar State Electricity Board                                                                                                                                                                                                                                                                                                                                     | 49.33                     | 59.77                     |
|         |                                                     | - Demand of maintenance charges on land allotted by State Government                                                                                                                                                                                                                                                                                                                                | 21.32                     | -                         |
|         |                                                     | - Demand towards contribution to Infrastructure Fund and charges for time limit extension for use of industrial plot                                                                                                                                                                                                                                                                                | 15.86                     | 13.61                     |
|         |                                                     | - Labour re-instatement, back wages, workmen compensation and salary structure cases                                                                                                                                                                                                                                                                                                                | 10.87                     | 4.93                      |
|         |                                                     | - Claims by various suppliers and contractors on terms of contract, mobilisation loss, etc                                                                                                                                                                                                                                                                                                          | 7.07                      | 9.26                      |
|         |                                                     | - Higher price demanded in respect of land acquired through State Government                                                                                                                                                                                                                                                                                                                        | 3.67                      | 3.54                      |
|         |                                                     | - Lease rent demand at increased rate by Kandla Port Trust                                                                                                                                                                                                                                                                                                                                          | 2.71                      | 10.54                     |
|         |                                                     | - Demand by Competition Commission of India for supply of Poly Aluminum Chloride                                                                                                                                                                                                                                                                                                                    | 2.30                      | -                         |

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| Sr. No. | Nature of Statute | Brief Description of Contingent Liabilities                                                                                                                                                                                                                                 | (₹ in Crore)              |                           |
|---------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|         |                   |                                                                                                                                                                                                                                                                             | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|         |                   | - Demand of liquidated damages by Bihar State Industrial Development Corporation                                                                                                                                                                                            | 2.27                      | -                         |
|         |                   | - Dispute on price for supply of bamboo by Government of Kerala                                                                                                                                                                                                             | 2.06                      | -                         |
|         |                   | - Demand for supply of water at higher rate contested by the Company                                                                                                                                                                                                        | 2.03                      | 2.53                      |
|         |                   | - Land lease rent demand at higher rate demanded by Uttar Pradesh State Industrial Development Corporation                                                                                                                                                                  | 1.78                      | -                         |
|         |                   | - Demand of power charges at higher rate in respect of power drawn during peak hours                                                                                                                                                                                        | 1.02                      | -                         |
|         |                   | - Various other cases pertaining to Claims by Railways, Electricity Board for lower electricity consumption, Stamp Duty dispute, Property Tax Arrears, Industrial Disputes, Railways licence fee demand, Textile Cess on readymade garments, Claim by various Customer, etc | 6.09                      | 3.77                      |
|         |                   | <b>Total</b>                                                                                                                                                                                                                                                                | <b>638.31</b>             | <b>249.18</b>             |

Cash outflows for the above are determinable only on receipt of judgements pending with various authorities/courts/Tribunals

## 4.2 OTHER MONEY FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE:

- (a) Under the Jute Packaging Material (Compulsory Use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched was required to be supplied in jute bags upto 31st August, 2001. The Company made conscious efforts to use jute packaging material as required under the said Act. However, due to non-availability of material as per the Company's product specifications, as well as due to strong customer resistance to use of jute bags, the specific percentage could not be adhered to. The Company has received a show cause notice, against which a writ petition has been filed with the Hon'ble High Court, which is awaiting for hearing. The Jute Commissioner, Kolkata, had filed transfer petition, various writ petitions have been filed in different High Courts by other aggrieved parties, including the Company, before the Hon'ble Supreme Court of India, praying for consolidation of all cases at one Court. The transfer petition is pending before the Hon'ble Supreme Court. The Company has been advised that the said levy is bad in law.

## 4.3 CAPITAL, FINANCIAL AND OTHER COMMITMENTS

### (i) Capital Commitments

|                                                                                                                                                                    | (₹ in Crore)              |                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                                    | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Estimated amount of contracts remaining to be executed on capital account and not provided {Net of Advances paid of ₹ 150.22 Crore (Previous Year: ₹ 54.76 Crore)} | 479.71                    | 154.49                    |

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## (ii) Financial and Other Commitments

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | (₹ in Crore)              |                           |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| (a) | Wholly owned Subsidiary #                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.08                      | 0.08                      |
| (b) | Joint Ventures @                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 516.26                    | 544.90                    |
| (c) | Associate*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                           |
| #   | Commitment on account of partly paid up equity shares in Aditya Birla Chemicals Belgium (BVBA)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                           |                           |
| @   | As per the agreement with the Joint Ventures, the Company is committed to make additional contribution in proportion to their interest in Joint Ventures, if required. These commitments have not been recognised in the financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                   |                           |                           |
| *   | <p>The Board of Directors of Idea Cellular Limited (Idea), an Associate of the Company have approved the amalgamation of Vodafone India Limited (VIL) and it's wholly owned subsidiary Vodafone Mobile Services Limited with the Idea subject to requisite regulatory and other approvals.</p> <p>As a promoter of Idea, the Company has undertaken to indemnify (liable jointly and severally with other promoters of Idea) upto a maximum of US\$ 500 Million to the promoters of VIL and its wholly owned subsidiary VMSL, if Idea fails to meet some of its indemnity obligation under the implementation agreement for proposed amalgamation of VIL and VMSL with Idea.</p> |                           |                           |
| *   | <p>The Company, being the promoter of Aditya Birla Idea Payments Bank Limited (ABIPBL), should hold at least 40 per cent of the paid-up equity capital of ABIPBL for the first five years from the commencement of its business, as per Reserve Bank of India (RBI) guidelines for licensing of Payments Bank. RBI has granted the licence for payment bank to ABIPBL on 3rd April, 2017.</p>                                                                                                                                                                                                                                                                                    |                           |                           |
| (d) | For Commitment under lease (refer Note 4.7.3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                           |                           |
| (e) | For Commitment under derivative contract (refer Note 4.10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                           |

## 4.4 OPERATING SEGMENTS

The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (Ind AS 108) no disclosure related to the segment are presented in the Standalone Financial Statements.

## 4.5 RELATED PARTY DISCLOSURE

### 4.5.1 Parties where control exists:

| Subsidiaries                                                 |                                                |
|--------------------------------------------------------------|------------------------------------------------|
| Samruddhi Swastik Trading and Investments Limited            | Wholly Owned Subsidiary                        |
| Grasim Bhiwani Textiles Limited                              | Wholly Owned Subsidiary (upto 10th July, 2017) |
| Sun God Trading and Investments Limited                      | Wholly Owned Subsidiary                        |
| ABNL Investment Limited                                      | Wholly Owned Subsidiary                        |
| Shaktiman Mega Food Park Limited                             | Wholly Owned Subsidiary                        |
| Aditya Birla Chemicals (Belgium) BVBA                        | 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                        |



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| <b>Subsidiaries</b>                                    |                         |
|--------------------------------------------------------|-------------------------|
| 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                                | Subsidiary's Subsidiary |
| PT UltraTech Mining Sumatera                           | Subsidiary's Subsidiary |
| Bhagwati Lime Stone Company Private Limited            | Subsidiary's Subsidiary |
| Aditya Birla Capital Limited (ABCL)                    | Subsidiary              |
| Aditya Birla PE Advisors Private Limited               | Subsidiary's Subsidiary |
| Aditya Birla My Universe Limited                       | Subsidiary's Subsidiary |
| Aditya Birla Trustee Company Private Limited           | Subsidiary's Subsidiary |
| Aditya Birla Money Limited                             | Subsidiary's Subsidiary |
| Aditya Birla Commodities Broking Limited               | Subsidiary's Subsidiary |
| Aditya Birla Financial Shared Services Limited         | Subsidiary's Subsidiary |
| Aditya Birla Finance Limited                           | Subsidiary's Subsidiary |
| Aditya Birla Insurance Brokers Limited                 | Subsidiary's Subsidiary |
| Aditya Birla Housing Finance Limited                   | Subsidiary's Subsidiary |
| Aditya Birla Money Mart Limited                        | Subsidiary's Subsidiary |
| Aditya Birla Money Insurance Advisory Services Limited | Subsidiary's Subsidiary |
| Aditya Birla Sun Life Insurance Company Limited        | Subsidiary's Subsidiary |
| Aditya Birla Sun Life Pension Management Limited       | Subsidiary's Subsidiary |
| Aditya Birla Health Insurance Co. Limited              | Subsidiary's Subsidiary |
| ABCAP Trustee Company Private Limited                  | Subsidiary's Subsidiary |
| Aditya Birla ARC Limited                               | Subsidiary's Subsidiary |

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forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## 4.5.2 Other Related Parties:

| Parties                                                                  | Relationship                   |
|--------------------------------------------------------------------------|--------------------------------|
| AV Group NB Inc., Canada                                                 | Joint Venture                  |
| Birla Jingwei Fibres Company Limited, China                              | Joint Venture                  |
| Birla Laos Pulp & Plantations Company Limited, Laos                      | Joint Venture                  |
| AVTerrace Bay Inc., Canada                                               | Joint Venture                  |
| Aditya Group AB, Sweden                                                  | Joint Venture                  |
| Aditya Birla Sun Life AMC Limited                                        | Joint Venture                  |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey              | Joint Venture                  |
| Bhubaneswari Coal Mining Limited                                         | Joint Venture                  |
| Aditya Birla Renewable Limited                                           | Joint Venture                  |
| Aditya Birla Renewable – SPV-1                                           | Joint Venture's Subsidiary     |
| Aditya Birla Solar Limited                                               | Joint Venture                  |
| Aditya Birla Wellness Private Limited                                    | Joint Venture                  |
| Birla Sun Life Trustee Company Private Limited                           | Joint Venture                  |
| Aditya Birla Science & Technology Company Private Limited                | Associate                      |
| Idea Cellular Limited                                                    | Associate                      |
| Aditya Birla Idea Payments Bank Limited                                  | Associate                      |
| Shri Kumar Mangalam Birla - Non-Executive Director                       | Key Management Personnel (KMP) |
| Smt. Rajashree Birla - Non-Executive Director                            | Key Management Personnel (KMP) |
| Shri Dilip Gaur - Managing Director (w.e.f. 1st April 2016)              | Key Management Personnel (KMP) |
| Shri B.V. Bhargava - Non-Executive Director                              | Key Management Personnel (KMP) |
| Shri R.C. Bhargava (upto 1st October, 2016) - Non-Executive Director     | Key Management Personnel (KMP) |
| Shri K.K. Maheshwari (upto 27th December, 2016) - Non-Executive Director | Key Management Personnel (KMP) |
| Shri Sushil Agarwal, Whole-time Director and CFO                         | Key Management Personnel (KMP) |
| Shri M.L. Apte - Non-Executive Director                                  | Key Management Personnel (KMP) |
| Shri Cyril Shroff - Non-Executive Director                               | Key Management Personnel (KMP) |
| Dr. Thomas Connelly, Jr - Non-Executive Director                         | Key Management Personnel (KMP) |
| Shri Shailendra K Jain - Non-Executive Director                          | Key Management Personnel (KMP) |
| Shri N. Mohan Raj - Non - Executive Director                             | Key Management Personnel (KMP) |
| Shri O.P. Rungta- Non - Executive Director                               | Key Management Personnel (KMP) |
| Shri Arun Thaigarajan - Non - Executive Director (w.e.f. 7th May 2016)   | Key Management Personnel (KMP) |
| Grasim Industries Limited Employees Provident Fund                       | Post-Employment Benefit Plan   |
| Provident Fund of Aditya Birla Nuvo Limited                              | Post-Employment Benefit Plan   |
| Indo gulf Fertilisers Limited Employee Provident Fund Trust              | Post-Employment Benefit Plan   |
| Jayashree Provident Fund Institution                                     | Post-Employment Benefit Plan   |
| Grasim (Senior Executives' & Officers) Superannuation Scheme             | Post-Employment Benefit Plan   |
| Grasim Industries Limited Employees Gratuity Fund                        | Post-Employment Benefit Plan   |
| Century Rayon Provident Fund Trust                                       | Post-Employment Benefit Plan   |

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## 4.5.3 Other Related Parties in which Directors are interested:

Shailendra Jain & Co.  
 Prafulla Brothers  
 Birla Group Holding Private Limited  
 Shri Suvrat Jain  
 Shri Devarat Jain  
 Shardul Amarchand Mangaldas & Co.

## 4.5.4 Disclosure of Related Party Transactions:

### Terms and Condition of Transaction with Related Parties

The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The above transactions are as per approval of Audit Committee.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

| Nature of Transactions                                    | (₹ in Crore)  |               |
|-----------------------------------------------------------|---------------|---------------|
|                                                           | Current Year  | Previous Year |
| <b>Sale of Products and Services:</b>                     |               |               |
| Grasim Bhiwani Textiles Limited                           | 6.93          | 29.21         |
| UltraTech Cement Limited                                  | 0.34          | 0.03          |
| Birla Jingwei Fibres Company Limited                      | 205.49        | 166.40        |
| Aditya Birla Chemicals (Belgium) BVBA                     | 1.63          | 2.50          |
| Aditya Birla Renewables Limited                           | 8.17          | -             |
| Aditya Birla Solar Limited                                | 13.26         | -             |
| <b>Total</b>                                              | <b>235.82</b> | <b>198.14</b> |
| <b>Interest and Other Operating Income:</b>               |               |               |
| Grasim Bhiwani Textiles Limited                           | 0.53          | 2.19          |
| UltraTech Cement Limited                                  | 2.81          | 2.34          |
| Aditya Birla Finance Limited                              | 0.01          | -             |
| Aditya Birla Sun Life AMC Limited                         | 0.43          | -             |
| AV Group NB Inc.                                          | 1.19          | 1.98          |
| Aditya Birla Science & Technology Company Private Limited | 1.32          | 0.93          |
| Idea Cellular Limited                                     | 1.95          | 9.44          |
| Others                                                    | 0.67          | 0.67          |
| <b>Total</b>                                              | <b>8.91</b>   | <b>17.55</b>  |
| <b>Dividend Received:</b>                                 |               |               |
| UltraTech Cement Limited                                  | 165.34        | 157.07        |
| Idea Cellular Limited                                     | -             | 10.26         |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi       | 3.02          | 7.32          |
| <b>Total</b>                                              | <b>168.36</b> | <b>174.65</b> |
| <b>Dividend Paid:</b>                                     |               |               |
| Birla Group Holding Private Limited                       | 3.01          | 0.03          |
| <b>Total</b>                                              | <b>3.01</b>   | <b>0.03</b>   |

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| Nature of Transactions                                                                   | (₹ in Crore)    |                 |
|------------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                          | Current Year    | Previous Year   |
| <b>Finance Cost:</b>                                                                     |                 |                 |
| Aditya Birla Sun Life Insurance Company Limited                                          | 3.26            | -               |
| <b>Total</b>                                                                             | <b>3.26</b>     | <b>-</b>        |
| <b>Purchases of Goods/Payment of Other Services (Net of Cenvat Credit, if available)</b> |                 |                 |
| Grasim Bhiwani Textiles Limited                                                          | 0.27            | 0.53            |
| UltraTech Cement Limited                                                                 | 7.58            | 3.07            |
| AV Group NB Inc.                                                                         | 727.04          | 725.07          |
| Aditya Group AB                                                                          | 334.77          | 504.14          |
| Aditya Birla Science & Technology Company Private Limited                                | 24.62           | 24.94           |
| Idea Cellular Limited                                                                    | 5.91            | 1.82            |
| Aditya Birla Sun Life Insurance Company Limited                                          | 1.19            | -               |
| Aditya Birla Health Insurance Company Limited                                            | 1.78            | -               |
| Birla Jingwei Fibres Company Limited                                                     | 0.61            | -               |
| Others                                                                                   | 0.71            | 0.27            |
| <b>Total</b>                                                                             | <b>1,104.48</b> | <b>1,259.84</b> |
| <b>Managerial Remuneration Paid</b>                                                      |                 |                 |
| Shri Dilip Gaur, Managing Director                                                       | 6.30            | 4.23            |
| Shri Sushil Agarwal, Whole-time Director and CFO                                         | 6.46            | 5.46            |
| <b>Total</b>                                                                             | <b>12.76</b>    | <b>9.69</b>     |

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

| Nature of Transactions                                    | (₹ in Crore) |               |
|-----------------------------------------------------------|--------------|---------------|
|                                                           | Current Year | Previous Year |
| <b>Sitting Fees to Directors</b>                          | <b>0.36</b>  | <b>0.35</b>   |
| <b>Commission to KMPs</b>                                 | <b>15.00</b> | <b>12.00</b>  |
| <b>Dividend to KMPs</b>                                   | <b>0.43</b>  | <b>0.21</b>   |
| <b>Loans Provided:</b>                                    |              |               |
| Sun God Trading and Investment Limited                    | 0.20         | -             |
| Aditya Birla Renewables Limited                           | 23.95        | -             |
| Aditya Birla Idea Payments Bank Limited                   | 17.75        | -             |
| Aditya Birla Solar Limited                                | 6.30         | -             |
| Aditya Birla Renewables SPV-1                             | 7.15         | -             |
| Grasim Bhiwani Textiles Limited                           | -            | 18.30         |
| <b>Total</b>                                              | <b>55.35</b> | <b>18.30</b>  |
| <b>Repayments against Loans Provided:</b>                 |              |               |
| Grasim Bhiwani Textiles Limited                           | 16.29        | 15.62         |
| Aditya Birla Science & Technology Company Private Limited | 2.20         | 0.47          |
| Sun God Trading and Investment Limited                    | 0.20         | -             |
| AV Group NB Inc.                                          | 32.80        | -             |



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| Nature of Transactions                                                            | (₹ in Crore)  |               |
|-----------------------------------------------------------------------------------|---------------|---------------|
|                                                                                   | Current Year  | Previous Year |
| Aditya Birla Renewables Limited                                                   | 23.95         | -             |
| Aditya Birla Solar Limited                                                        | 2.00          | -             |
| Aditya Birla Renewables SPV-1                                                     | 7.15          | -             |
| Aditya Birla Chemicals (Belgium) BVBA                                             | 0.09          | -             |
| Aditya Birla Idea Payments Bank Limited                                           | 17.75         | -             |
| <b>Total</b>                                                                      | <b>102.43</b> | 16.09         |
| <b>Purchase of Mutual Funds and Bonds:</b>                                        |               |               |
| Samruddhi Swastik Trading and Investments Limited                                 | -             | 16.00         |
| <b>Total</b>                                                                      | <b>-</b>      | 16.00         |
| <b>Investments in Equity Shares:</b>                                              |               |               |
| Birla Laos Pulp & Plantation Company Limited                                      | -             | 0.53          |
| Shaktiman Mega Foods Park Private Limited                                         | 0.01          | -             |
| Aditya Birla Renewables Limited                                                   | 26.71         | -             |
| Aditya Birla Idea Payments Bank Limited                                           | 103.20        | -             |
| Aditya Birla Investment Limited                                                   | 10.00         | -             |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi                               | -             | (56.20)       |
| <b>Total</b>                                                                      | <b>139.92</b> | (55.67)       |
| <b>Purchases/(Sales) of Property, Plant and Equipment/<br/>Intangible Assets:</b> |               |               |
| UltraTech Cement Limited                                                          | 6.57          | 4.35          |
| Grasim Bhiwani Textiles Limited                                                   | -             | 0.68          |
| Aditya Birla Capital Limited                                                      | (0.09)        | -             |
| <b>Total</b>                                                                      | <b>6.48</b>   | 5.03          |
| <b>Contributions to Post Retirement Fund:</b>                                     |               |               |
| Grasim Industries Limited Employees' Provident Fund                               | 7.78          | 6.83          |
| Grasim (Senior Executives & Officers) Superannuation Scheme                       | 11.10         | 6.96          |
| Jayashree Provident Fund Institution                                              | 3.00          | -             |
| Provident Fund of Aditya Birla Nuvo Limited                                       | 3.40          | -             |
| Indo Gulf Fertilizer Limited Employee Provident Fund Trust                        | 1.69          | -             |
| Century Rayon Provident Fund Trust                                                | 1.16          | -             |
| Grasim Industries Limited Employees Gratuity Fund                                 | 35.74         | 28.99         |
| <b>Total</b>                                                                      | <b>63.87</b>  | 42.78         |
| <b>Receipts from Post-Retirement Fund:</b>                                        |               |               |
| Grasim Industries Limited Employees Gratuity Fund                                 | 3.30          | 1.45          |
| <b>Compensation of Key Management Personnel of the Company*</b>                   |               |               |
| Short-term Employee Benefits                                                      | 10.38         | 6.60          |
| Post-Retirement Benefits                                                          | 0.75          | 0.61          |
| Share-Based Payments                                                              | 1.63          | 2.48          |
| <b>Total</b>                                                                      | <b>12.76</b>  | 9.69          |

\* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly have not been considered in the above information.

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|                                                                     | (₹ in Crore)     |                  |
|---------------------------------------------------------------------|------------------|------------------|
|                                                                     | As at            | As at            |
| Outstanding Balances (Unsecured)                                    | 31st March, 2018 | 31st March, 2017 |
| <b>Other Non-Current Liabilities (Financial and Non-Financial):</b> |                  |                  |
| Aditya Birla Sun Life AMC Limited                                   | 0.62             | -                |
| UltraTech Cement Limited                                            | 0.06             | 0.06             |
| <b>Total</b>                                                        | <b>0.68</b>      | <b>0.06</b>      |
| <b>Trade Payables:</b>                                              |                  |                  |
| Aditya Birla Chemicals (Belgium) AVBA                               | 0.06             | -                |
| UltraTech Cement Limited                                            | 2.47             | 0.30             |
| Aditya Birla Sun Life Insurance Company Limited                     | 0.43             | -                |
| Aditya Birla Health Insurance Company Limited                       | 0.08             | -                |
| AV Group NB Inc.                                                    | 179.24           | 131.82           |
| Idea Cellular Limited                                               | 0.07             | -                |
| Aditya Group AB                                                     | 51.89            | 43.50            |
| <b>Total</b>                                                        | <b>234.24</b>    | <b>175.62</b>    |
| <b>Other Current Liabilities (Financial):</b>                       |                  |                  |
| Aditya Birla Capital Limited                                        | 7.56             | -                |
| Aditya Birla Science & Technology Company Private Limited           | 0.02             | -                |
| <b>Total</b>                                                        | <b>7.58</b>      | <b>-</b>         |
| <b>Trade Receivables:</b>                                           |                  |                  |
| UltraTech Cement Limited                                            | 0.09             | 0.04             |
| Grasim Bhiwani Textiles Limited                                     | -                | 6.21             |
| Aditya Birla Chemicals (Belgium) AVBA                               | 1.59             | 2.92             |
| Birla Jingwei Fibres Company Limited                                | 23.33            | 39.07            |
| AVTerrace Bay Inc Canada                                            | 0.05             | -                |
| Aditya Birla Renewable Limited                                      | 6.77             | -                |
| Aditya Birla Solar Limited                                          | 32.25            | -                |
| Idea Cellular Limited                                               | 0.20             | 1.40             |
| <b>Total</b>                                                        | <b>64.28</b>     | <b>49.64</b>     |
| <b>Non-Current Financial Assets - Loans:</b>                        |                  |                  |
| Grasim Bhiwani Textiles Limited                                     | -                | 10.05            |
| AV Group NB Inc.                                                    | -                | 32.80            |
| Aditya Birla Chemicals (Belgium) BVBA                               | -                | 0.09             |
| Aditya Birla Science & Technology Company Private Limited           | -                | 10.43            |
| <b>Total</b>                                                        | <b>-</b>         | <b>53.37</b>     |
| <b>Non Convertible Debentures:</b>                                  |                  |                  |
| Aditya Birla Sun Life Insurance Company Limited                     | 51.41            | -                |
| <b>Total</b>                                                        | <b>51.41</b>     | <b>-</b>         |
| <b>Current Financial Assets- Loans:</b>                             |                  |                  |
| Grasim Bhiwani Textiles Limited                                     | -                | 6.24             |
| Aditya Birla Science & Technology Company Private Limited           | 22.74            | 0.92             |
| Aditya Birla Solar Limited                                          | 4.30             | -                |
| <b>Total</b>                                                        | <b>27.04</b>     | <b>7.16</b>      |
| <b>Other Current Assets (Financial and Non-financial):</b>          |                  |                  |
| Aditya Birla Sun Life Insurance Company Limited                     | 0.12             | -                |
| Aditya Birla Health Insurance Co. Limited                           | 0.89             | -                |
| Aditya Birla Sun Life AMC Limited                                   | 0.02             | -                |
| Aditya Birla Investment Limited                                     | 0.43             | -                |
| <b>Total</b>                                                        | <b>1.46</b>      | <b>-</b>         |

# Notes

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## 4.6 RETIREMENT BENEFITS:

### 4.6.1 Defined Benefit Plans as per Actuarial Valuation:

#### Gratuity (funded by the Company):

The Company operates a Gratuity Plan through a trust for its all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of service, whichever is earlier, of an amount equivalent to 15 to 30 days' salary for each completed year of service, as per rules framed in this regard. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. In case of majority of employees, the Company's scheme is more favourable as compared to the obligation under payment of Gratuity Act, 1972.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Ind AS-19 - 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

#### Inherent Risk:

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, changes in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

#### Pension:

The Company provides pension to few retired employees as approved by the Board of Directors of the Company.

#### Inherent Risk:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in salary increases for serving employees/pension increase for pensioners or adverse demographic experience can result in an increase in the cost of providing these benefits to employees in future. In this case the pension is paid directly by the Company (instead of pension being bought out from an insurance company) during the lifetime of the pensioners/beneficiaries and hence the plan carries the longevity risks.

# Notes

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## 4.6.1.1 Gratuity and Pension:

|       |                                                                                                                   | (₹ in Crore)      |               |              |               |
|-------|-------------------------------------------------------------------------------------------------------------------|-------------------|---------------|--------------|---------------|
|       |                                                                                                                   | Gratuity (Funded) |               | Pension      |               |
|       |                                                                                                                   | Current Year      | Previous Year | Current Year | Previous Year |
| (i)   | <b>Reconciliation of Present Value of the Obligation:</b>                                                         |                   |               |              |               |
|       | Opening Defined Benefit Obligation                                                                                | 239.02            | 218.76        | 8.46         | 8.46          |
|       | Adjustments of:                                                                                                   |                   |               |              |               |
|       | Current Service Cost                                                                                              | 21.32             | 11.82         | -            | -             |
|       | Past Service Cost                                                                                                 | 0.89              | -             | 22.98        | -             |
|       | Interest Cost                                                                                                     | 23.46             | 15.99         | 0.91         | 0.64          |
|       | Actuarial Loss/(Gain)                                                                                             | 17.78             | 15.54         | 1.47         | 0.60          |
|       | Liabilities assumed on Acquisition/(Settled on Divestiture)*                                                      | 222.30            | -             | 6.54         | -             |
|       | Benefits Paid                                                                                                     | (30.99)           | (23.09)       | (4.65)       | (1.24)        |
|       | Closing Defined Benefit Obligation                                                                                | 493.78            | 239.02        | 35.71        | 8.46          |
| (ii)  | <b>Reconciliation of Fair Value of the Plan Assets:</b>                                                           |                   |               |              |               |
|       | Opening Fair Value of the Plan Assets                                                                             | 230.25            | 205.82        | -            | -             |
|       | Adjustments of:                                                                                                   |                   |               |              |               |
|       | Return on Plan Assets                                                                                             | 23.60             | 15.55         | -            | -             |
|       | Actuarial Gain/(Loss)                                                                                             | (0.44)            | 2.98          | -            | -             |
|       | Contributions by the Employer                                                                                     | 35.74             | 28.99         | 4.65         | 1.24          |
|       | Assets Acquired on Acquisition/(Distributed on Divestiture)*                                                      | 218.26            | -             | -            | -             |
|       | Benefits Paid                                                                                                     | (30.99)           | (23.09)       | (4.65)       | (1.24)        |
|       | Closing Fair Value of the Plan Assets                                                                             | 476.42            | 230.25        | -            | -             |
| (iii) | <b>Net Liabilities/(Assets) recognised in the Balance Sheet:</b>                                                  |                   |               |              |               |
|       | Present Value of the Defined Benefit Obligation at the end of the period                                          | 493.78            | 239.02        | 35.71        | 8.46          |
|       | Fair Value of the Plan Assets                                                                                     | 476.42            | 230.25        | -            | -             |
|       | Net Liabilities recognised in the Balance Sheet                                                                   | 17.36             | 8.77          | 35.71        | 8.46          |
| (iv)  | <b>Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:</b> |                   |               |              |               |
|       | Current Service Cost                                                                                              | 21.32             | 11.82         | -            | -             |
|       | Past Service Cost                                                                                                 | 0.89              | -             | 22.98        | -             |
|       | Interest on Defined Benefit Obligations (Net)                                                                     | (0.14)            | 0.44          | 0.91         | 0.64          |
|       | Net Cost                                                                                                          | 22.07             | 12.26         | 23.89        | 0.64          |
|       | Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments                                | -                 | -             | -            | -             |
|       | Net Charge to the Statement of Profit and Loss                                                                    | 22.07             | 12.26         | 23.89        | 0.64          |

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|               |                                                                                           | (₹ in Crore)                                    |                                                 |                                         |                                         |
|---------------|-------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------|-----------------------------------------|
|               |                                                                                           | Gratuity (Funded)                               |                                                 | Pension                                 |                                         |
|               |                                                                                           | Current Year                                    | Previous Year                                   | Current Year                            | Previous Year                           |
| <b>(v)</b>    | <b>Amount recognised in Other Comprehensive Income (OCI) for the Year:</b>                |                                                 |                                                 |                                         |                                         |
|               | Changes in Financial Assumptions                                                          | 3.61                                            | 15.67                                           | (1.32)                                  | 0.44                                    |
|               | Changes in Demographic Assumptions                                                        | (2.17)                                          | -                                               | -                                       | -                                       |
|               | Experience Adjustments                                                                    | 16.34                                           | (0.12)                                          | 2.79                                    | 0.16                                    |
|               | Actual Return on Plan Assets less Interest on Plan Assets                                 | 0.44                                            | (2.98)                                          | -                                       | -                                       |
|               | Recognised in OCI for the Year                                                            | 18.22                                           | 12.57                                           | 1.47                                    | 0.60                                    |
| <b>(vi)</b>   | <b>Maturity Profile of Defined Benefit Obligation:</b>                                    |                                                 |                                                 |                                         |                                         |
|               | Within next 12 months (next annual reporting period)                                      | 79.95                                           | 40.88                                           | 4.75                                    | 1.12                                    |
|               | Between 1 and 5 years                                                                     | 174.69                                          | 84.74                                           | 16.69                                   | 4.15                                    |
|               | Between 5 and 9 years                                                                     | 185.34                                          | 81.09                                           | 13.12                                   | 2.72                                    |
|               | 10 years and above                                                                        | 629.00                                          | 262.57                                          | 25.08                                   | 5.03                                    |
| <b>(vii)</b>  | <b>Quantitative sensitivity analysis for significant assumptions:</b>                     |                                                 |                                                 |                                         |                                         |
|               | Increase/(Decrease) on present value of defined benefit obligation at the end of the year |                                                 |                                                 |                                         |                                         |
|               | 50 bps increase in discount rate                                                          | (18.22)                                         | (8.58)                                          | (0.91)                                  | (0.21)                                  |
|               | 50 bps decrease in discount rate                                                          | 19.50                                           | 9.18                                            | 0.96                                    | 0.22                                    |
|               | 50 bps increase in salary escalation rate                                                 | 19.45                                           | 9.03                                            | -                                       | -                                       |
|               | 50 bps decrease in salary escalation rate                                                 | (18.32)                                         | (8.51)                                          | -                                       | -                                       |
|               | Increase in Life Expectancy by one year                                                   | -                                               | -                                               | 0.94                                    | 0.23                                    |
|               | Decrease in Life Expectancy by one year                                                   | -                                               | -                                               | (0.96)                                  | (0.24)                                  |
| <b>(viii)</b> | <b>The major categories of Plan Assets as a % of total plan:</b>                          |                                                 |                                                 |                                         |                                         |
|               | Government of India Securities                                                            | 19%                                             | 4%                                              | N.A.                                    | N.A.                                    |
|               | Corporate Bonds                                                                           | 4%                                              | 6%                                              | N.A.                                    | N.A.                                    |
|               | Insurer Managed Fund                                                                      | 77.8%                                           | 84%                                             | N.A.                                    | N.A.                                    |
|               | Others                                                                                    | 0.2%                                            | 6%                                              | N.A.                                    | N.A.                                    |
|               | <b>Total</b>                                                                              | <b>100%</b>                                     | <b>100%</b>                                     | <b>N.A.</b>                             | <b>N.A.</b>                             |
| <b>(ix)</b>   | <b>Principal Actuarial Assumptions:</b>                                                   |                                                 |                                                 |                                         |                                         |
|               | Discount Rate                                                                             | 7.80%                                           | 7.12%                                           | 7.80%                                   | 7.12%                                   |
|               | Expected Return on Plan Assets                                                            | 7.80%                                           | 7.12%                                           | -                                       | -                                       |
|               | Salary Escalation Rate                                                                    | 5.50%-8%                                        | 8.00%                                           | -                                       | -                                       |
|               | Mortality Tables                                                                          | Indian Assured Lives (2006-08) mortality tables | Indian Assured Lives (2006-08) mortality tables | PA (90) annuity rates adjusted suitably | PA (90) annuity rates adjusted suitably |



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|     |                                                                 | (₹ in Crore)      |                   |                   |                   |
|-----|-----------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|     |                                                                 | Gratuity (Funded) |                   | Pension           |                   |
|     |                                                                 | Current Year      | Previous Year     | Current Year      | Previous Year     |
|     | Retirement Age:                                                 |                   |                   |                   |                   |
|     | Management                                                      | 60 Years          | 60 Years          | -                 | -                 |
|     | Non-Management                                                  | 58 Years          | 58 Years          |                   |                   |
| (x) | <b>Weighted Average Duration of Defined Benefit obligation:</b> | <b>7.63 Years</b> | <b>7.43 Years</b> | <b>5.23 Years</b> | <b>4.99 Years</b> |

\* Includes Liability of ₹ 222.30 Crore and Assets of ₹ 218.26 Crore on account of merger of Aditya Birla Nuvo Limited with the Company and acquisition of Rights to manage and operate Century Rayon business.

**(xii) There are no amounts included in the Fair Value of Plan Assets for:**

- Company's own financial instrument
- Property occupied by or other assets used by the Company

**(xiii) Basis used to determine Discount Rate:**

Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date, applicable to the period over which the obligation is to be settled.

**(xiv) Asset Liability matching Strategy:**

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre fund the liability of the plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

**(xv) Salary Escalation Rate:**

The estimates of future salary increases are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

**(xvi) Sensitivity Analysis:**

Sensitivity Analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in the market condition at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

**(xvii) The best estimate of the expected contribution for the next year amounts to ₹ 20 Crore (Previous Year: ₹ 20 Crore).**

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## 4.6.1.2 Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 11.40 Crore (Previous Year ₹ 18.80 Crore).

## 4.6.1.3 The details of the Company's Defined Benefit Plans in respect of the Company-owned Provident Fund Trust

Amount recognised as expense and included in the Note 3.7 as "Contribution- Company owned Provident Fund" is ₹ 18.10 Crore (Previous Year ₹ 7.33 Crore).

The actuary has provided for a valuation and based on the below provided assumption there is no interest shortfall as at 31st March, 2018 and 31st March, 2017.

| Particulars                                                                                                                 | (₹ in Crore)              |                           |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                             | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| (a) Plan Assets at Fair Value                                                                                               | 1012.44                   | 169.66                    |
| (b) Liability recognised in the Balance Sheet                                                                               | Nil                       | Nil                       |
| (c) Assumption used in determining the present value obligation of interest rate guarantee under the Deterministic Approach |                           |                           |
| - Discount Rate for the term of the Obligations                                                                             | 7.80%                     | 7.12%                     |
| - Discount Rate for the remaining term of maturity of Investment Portfolio                                                  | 7.61% - 7.76%             | 7.20%                     |
| - Average Historic Yield on Investment Portfolio                                                                            | 8.72% – 9.34%             | 8.96%                     |
| - Guaranteed Interest Rate                                                                                                  | 8.55%                     | 8.65%                     |

## 4.6.2 Defined Contribution Plans:

| Particulars                                                                                             | (₹ in Crore)              |                           |
|---------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                         | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Amount recognized as an expense and included in note 3.7 as "Contribution to Provident and Other Funds" | 46.65                     | 29.07                     |

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## 4.7 ADDITIONAL INFORMATION

### DETAILS

#### 4.7.1 Details relating to Micro, Small and Medium Enterprises:

| Particulars                                                                                                                                                                                                                                                                                                                       | (₹ in Crore)              |                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                                                                                                                                                                                                   | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| (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;                                                                                                                                                                               | 8.88                      | 2.05                      |
| (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 Development Act, 2006                                                                            | -                         | -                         |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and                                                                                                                                                                                                                                   | -                         | -                         |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | -                         | -                         |

#### 4.7.2 Government Grants (Ind AS 20)

The Company has received an interest-free loan of ₹ 8.13 Crore (Previous Year: ₹ 13.15 Crore) from a State Government, repayable in full after seven years. Using prevailing market interest rate of 7.66% p.a. (Previous Year: 8.9% p.a.) for an equivalent loan, the fair value of loan at initial recognition is estimated at ₹ 4.76 Crore (Previous Year: ₹ 7.07 Crore). The difference of ₹ 3.37 Crore (Previous Year: ₹ 6.08 Crore) between gross proceeds and fair value of loan is the government grant which will be recognised in the Statement of Profit and Loss over the period of loan.

Cumulative interest- free loan received from the state government is ₹ 21.28 Crore. Accordingly, an amount of ₹ 0.88 Crore (Previous Year: ₹ 0.41 Crore) has been recognised as income in the current year and correspondingly equivalent amount has been accounted as an interest expense.

Further it also includes savings in import duty on procurement of capital goods and export incentives under MEIS scheme

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## 4.7.3 Disclosure pursuant to Ind AS 17: Leases is as under

### a. Company as Lessee:

|         |                                                                                                                                                                         | (₹ in Crore)                |                        |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------|
| Sr. No. | Particulars                                                                                                                                                             | Current Year                | Previous Year          |
| i)      | Operating Lease Payments recognised in the Statement of Profit and Loss                                                                                                 | 3750                        | 15.61                  |
| ii)     | The total of future minimum lease payments under non-cancellable operating leases are as follows:                                                                       |                             |                        |
|         | For a period not later than one year                                                                                                                                    | 6.92                        | 3.48                   |
|         | For a period later than one year and not later than five years                                                                                                          | 5.99                        | 3.39                   |
|         | For a period later than five years                                                                                                                                      | 0.11                        | 0.23                   |
| iii)    | The details of finance lease payable and their present value as at the Balance Sheet date                                                                               |                             |                        |
|         | Particulars                                                                                                                                                             | Total Lease Charges Payable | Present Value Interest |
|         | Not Later than one year                                                                                                                                                 | 0.25                        | 0.23 0.02              |
|         | Later than one year and not later than five years                                                                                                                       | -                           | - -                    |
|         | <b>Total</b>                                                                                                                                                            | <b>0.25</b>                 | <b>0.23 0.02</b>       |
| iv)     | General Description of Leasing Agreements:                                                                                                                              |                             |                        |
|         | (i) Lease Assets: Godowns, Offices, Residential Flats, Showroom and Others.                                                                                             |                             |                        |
|         | (ii) The Company has entered into finance lease arrangements for computer servers from a vendor. The finance obligation is secured by a charge against the said assets. |                             |                        |
|         | (iii) Future Lease Rentals are determined on the basis of agreed terms.                                                                                                 |                             |                        |
|         | (iv) At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.                                       |                             |                        |

### b. Company as a Lessor

The Company has given certain assets on lease for which rental income earned during the current year is ₹ 3.33 Crore (Previous Year: ₹ 3.04 Crore). These lease arrangement are normally renewed on expiry, wherever required.

**4.7.4** The Company has spent ₹ 29.84 Crore on Corporate Social Responsibility Projects/Initiatives during the year (Previous Year ₹ 18.06 Crore including ₹ 1.64 Crore towards capital expenditure).

## 4.7.5 Assets Held for Disposal (Ind AS 105)

The Company has identified certain assets amounting to ₹ 2.54 Crore (Previous year ₹ 1.28 Crore) to be disposed off like Chimneys, Hot Gas Filter, Heat Exchanger, Waste Heat Boilers, Pipelines, Sulphur Furnace, etc., which are not in use by the Company. The Company is in the process of discussion with various potential buyers, and expects the same to be disposed off within next twelve months.

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## 4.7.6 Distribution Made and Proposed (Ind AS 1):

|                                                                                                                                                                    | (₹ in Crore) |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                                                                                                    | Current Year | Previous Year |
| Cash Dividends on Equity Shares declared and paid:                                                                                                                 |              |               |
| Final dividend for the year ended on 31st March, 2017: ₹ 5.50 per share of face value of ₹ 2 each (31st March, 2016: ₹ 22.50 per share of face value of ₹ 10 each) | 361.53       | 210.05        |
| Dividend Distribution Tax on final dividend                                                                                                                        | 39.94        | 10.79         |
| Total Cash Outflow on account of Dividend and Tax thereon                                                                                                          | 401.47       | 220.84        |
| Proposed Dividends on Equity Shares:                                                                                                                               |              |               |
| Final dividend for the year ended on 31st March, 2018: ₹ 6.20 per share of face value of ₹ 2 each (31st March, 2017: ₹ 5.50 per share of face value of ₹ 2 each)   | 407.57       | * 256.76      |
| Dividend Distribution Tax on proposed Dividend                                                                                                                     | 48.09        | * 18.61       |
| Total proposed Dividend and Tax thereon                                                                                                                            | 455.66       | * 275.37      |

\* Amount of dividend distribution for the previous year was subject to change on account of issue of equity shares by the Company to the shareholders of Aditya Birla Nuvo Limited (ABNL) in terms of the Scheme of Arrangement for amalgamation of ABNL with the Company (Note 4.11 A).

## 4.7.7 Capital Management (Ind AS 1)

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

|                                                                                                                  | (₹ in Crore)              |                           |
|------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Particulars                                                                                                      | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Total Debt (Bank and other Borrowings)                                                                           | 2,969.00                  | 701.49                    |
| Less: Liquid Investments (Bonds, Mutual Funds, Fixed Deposits with Corporates and Investment in Larsen & Toubro) | 3,353.22                  | 2,517.90                  |
| Net Debt/(Surplus)                                                                                               | (384.22)                  | (1,816.41)                |
| Equity                                                                                                           | 44,789.83                 | 16,230.98                 |
| Net Debt to Equity                                                                                               | -                         | (0.11)                    |

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.



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**4.8 4.8.1** 1,039,210 Equity Shares of Face Value of ₹ 2/- each (Previous Year: 1,152,595 Equity Shares of Face Value of ₹ 2/- each ) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006) and Employee Stock Option Scheme, 2013 (ESOS-2013).

a. Under the ESOS-2006, the Company has granted 1,533,375 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                                  | 1,007,650                                                                                                          | 83,050             | 356,485           | 30,185         | 56,005             |
| Grant Date                                              | 23rd August, 2007                                                                                                  | 25th January, 2008 | 30th August, 2010 | 2nd June, 2011 | 18th October, 2013 |
| Grant Price (₹ Per Share)#                              | 386                                                                                                                | 577                | 274               | 305            | 532                |
| Revised Grant Price*                                    | 305                                                                                                                | 456                | N.A.              | N.A.           | N.A.               |
| Market Price on the Date of Grant (₹)                   | 546                                                                                                                | 577                | 404               | 466            | 543                |
| Fair Value on the Date of Grant of Option (₹ Per Share) | 208                                                                                                                | 174                | 226               | 252            | 197                |
| Method of Settlement                                    | Equity                                                                                                             | Equity             | Equity            | Equity         | Equity             |
| Method of Accounting                                    | Intrinsic value for options vested before 1st April, 2015, and Fair value for options vested after 1st April, 2015 |                    |                   |                |                    |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant                                                   |                    |                   |                |                    |
| Normal Exercise Period                                  | 5 years from the date of vesting                                                                                   |                    |                   |                |                    |

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

#The Grant Price in respect of Tranches III, IV and V has been revised in the current Financial Year post-demerger of Financial Service business of Grasim to ABCL, resulting in reduction of ₹ 14 per share from the earlier Exercise Price i.e. Face Value of ABCL's share X 1.4 (share entitlement ratio).

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b. Under the ESOS-2013, the Company has granted 1,044,245 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

|                                                         | Options                                                                                                            |                    |                    |                 |                | RSU's                                                           |                     |                    |                    |                 |                |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|-----------------|----------------|-----------------------------------------------------------------|---------------------|--------------------|--------------------|-----------------|----------------|
|                                                         | Tranche I                                                                                                          | Tranche II         | Tranche III        | Tranche IV      | Tranche V      | Tranche I                                                       | Tranche II          | Tranche III        | Tranche IV         | Tranche V       | Tranche VI     |
| No. of Options / RSU Granted                            | 627,015                                                                                                            | 59,905             | 121,750            | 30,440          | 17,045         | 93,495                                                          | 40,420              | 31,010             | 16,665             | 4,165           | 2,335          |
| Grant Date                                              | 18th October, 2013                                                                                                 | 29th January, 2014 | 15th January, 2016 | 2nd April, 2016 | 24th May, 2016 | 18th October, 2013                                              | 21st November, 2013 | 29th January, 2014 | 15th January, 2016 | 2nd April, 2016 | 24th May, 2016 |
| Grant Price (₹ Per Share)#                              | 529                                                                                                                | 519                | 686                | 757             | 842            | 2                                                               | 2                   | 2                  | 2                  | 2               | 2              |
| Market Price on the Date of Grant (₹)#                  | 529                                                                                                                | 519                | 686                | 757             | 842            | 529                                                             | 522                 | 519                | 686                | 757             | 842            |
| Fair value on the date of Grant of Option (₹ per Share) | 199                                                                                                                | 191                | 274                | 291             | 315            | 520                                                             | 498                 | 495                | 687                | 750             | 821            |
| Method of Settlement                                    | Equity                                                                                                             | Equity             | Equity             | Equity          | Equity         | Equity                                                          | Equity              | Equity             | Equity             | Equity          | Equity         |
| Method of Accounting                                    | Intrinsic value for options vested before 1st April, 2015, and Fair Value for options vested after 1st April, 2015 |                    |                    |                 |                | Fair Value                                                      | Fair Value          | Fair Value         | Fair Value         | Fair Value      | Fair Value     |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant                                                   |                    |                    |                 |                | Bullet vesting at the end 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                                |                     |                    |                    |                 |                |

#The Grant Price and Market Price in respect of Tranches I, III and IV has been revised in the current Financial Year post-demerger of Financial Service business of Grasim to ABCL, resulting in reduction of ₹ 14 per share from the earlier Exercise Price, i.e. Face Value of ABCL's share X 1.4 (share entitlement ratio).

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4.8.2 (a) Under the Employee Stock Options Scheme - 2013 (ESOS-2013), the Company has granted 436,145 Options/SAR to the eligible employees of erstwhile ABNL, as per the composite scheme of arrangement between the Company and ABNL. The details are as under:

|                                                   | Options                                                          |                    |                     |                | RSU's                                                           |                    |                     |                |
|---------------------------------------------------|------------------------------------------------------------------|--------------------|---------------------|----------------|-----------------------------------------------------------------|--------------------|---------------------|----------------|
|                                                   | Tranche IA                                                       | Tranche IIA        | Tranche IIIA        | Tranche IVA    | Tranche IA                                                      | Tranche IIA        | Tranche IIIA        | Tranche IVA    |
| No. of Options Granted                            | 39,887                                                           | 10,918             | 6,144               | 51,219         | 18,483                                                          | 3,568              | 2,229               | 24,784         |
| Grant Date                                        | 7th December, 2013                                               | 29th January, 2014 | 12th November, 2014 | 24th May, 2016 | 7th December, 2013                                              | 29th January, 2014 | 12th November, 2014 | 24th May, 2016 |
| Grant / Exercise Price (₹ Per Share)              | 449                                                              | 380                | 631                 | 648            | 2                                                               | 2                  | 2                   | 2              |
| Market Price on the Date of Grant                 | 1240                                                             | 1054               | 1727                | 992            | 1240                                                            | 1054               | 1727                | 992            |
| Fair value on the Date of Merger (1st July, 2017) | 806                                                              | 875                | 693                 | 716            | 1200                                                            | 1199               | 1198                | 1195           |
| Method of Settlement                              | Equity                                                           | Equity             | Equity              | Equity         | Equity                                                          | Equity             | Equity              | Equity         |
| Method of Accounting                              | Fair Value                                                       |                    |                     |                | Fair Value                                                      |                    |                     |                |
| Graded Vesting Plan                               | 25% every year, commencing after one year from the date of grant |                    |                     |                | Bullet vesting at the end 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                                |                    |                     |                |

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## (b) Stock Appreciation Rights ('SAR')

|                                                          | SAR's (Linked with the Company's Market Price)                                            |                                 |                                 |                                 |                                                | SAR's (Linked with Aditya Birla Capital Limited's Market Price)                          |                                 |                                 |                                 |                                                |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------------------------|
|                                                          | Tranche - I                                                                               | Tranche - II                    | Tranche - III                   | Tranche - IV A                  | Tranche - IV B                                 | Tranche - I                                                                              | Tranche - II                    | Tranche - III                   | Tranche - IV A                  | Tranche - IV B                                 |
| Number of SAR's                                          | 14,988                                                                                    | 8,449                           | 4,032                           | 79,382                          | 8,920                                          | 20,986                                                                                   | 11,829                          | 5,645                           | 111,137                         | 13,547                                         |
| Method of Accounting                                     | Fair Value                                                                                | Fair Value                      | Fair Value                      | Fair Value                      | Fair Value                                     | Fair Value                                                                               | Fair Value                      | Fair Value                      | Fair Value                      | Fair Value                                     |
| Vesting Plan                                             | Graded Vesting - 25% every year                                                           | Graded Vesting - 25% every year | Graded Vesting - 25% every year | Graded Vesting - 25% every year | Bullet Vesting - end of 3 year from grant date | Graded Vesting - 25% every year                                                          | Graded Vesting - 25% every year | Graded Vesting - 25% every year | Graded Vesting - 25% every year | Bullet Vesting - end of 3 year from grant date |
| Exercise Period                                          | 3 years from the date of Vesting or 6 years from the date of grant, whichever is earlier. |                                 |                                 |                                 |                                                | 3Years from the date of Vesting or 6 years from the date of grant, whichever is earlier. |                                 |                                 |                                 |                                                |
| Grant Date                                               | 07.12.2013                                                                                | 29.01.2014                      | 12.11.2014                      | 24.05.2016                      | 24.05.2016                                     | 07.12.2013                                                                               | 29.01.2014                      | 12.11.2014                      | 24.05.2016                      | 24.05.2016                                     |
| Grant Price (₹ Per Share)                                | 449                                                                                       | 380                             | 631                             | 648                             | 2                                              | 10                                                                                       | 10                              | 10                              | 10                              | 10                                             |
| Market Price on the date of Grant of SAR's (₹ Per Share) | 1,239.8                                                                                   | 1,053.85                        | 1,726.95                        | 992.4                           | 992.4                                          | NA                                                                                       | NA                              | NA                              | NA                              | NA                                             |

# The Fair Value stands revised post the scheme of demerger of the Financial Service business of Grasim to ABCL on 4th July, 2017.



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## 4.8.3 Movement of Options and RSUs Granted along with Weighted Average Exercise Price (WAEP)

### 4.8.3.1 For Options referred to in 4.8.1(a) & (b)

|                                                            | Number of Options and RSUs |          |               |          |
|------------------------------------------------------------|----------------------------|----------|---------------|----------|
|                                                            | Current Year               |          | Previous Year |          |
|                                                            | Nos.                       | WAEP (₹) | Nos.          | WAEP (₹) |
| Outstanding at the beginning of the year                   | 1,152,595                  | 472      | 241,426       | 2,205    |
| Adjustment for Sub-Division of Equity Shares (Note 2.14.8) | -                          | -        | 965,704       | -        |
| Outstanding at the beginning of the year (Post-split)      | 1,152,595                  | 472      | 1,207,130     | 441      |
| Granted during the year                                    | -                          | -        | 53,985        | 701      |
| Exercised during the year                                  | 71,660                     | 311      | 106,580       | 248      |
| Lapsed during the year                                     | 41,725                     | 616      | 1,940         | 2        |
| Outstanding at the end of the year                         | 1,039,210                  | 463      | 1,152,595     | 472      |
| Options: Unvested at the end of the year                   | 104,535                    | 565      | 339,550       | 583      |
| Exercisable at the end of the year                         | 934,675                    | 452      | 813,045       | 425      |

The weighted average share price at the date of exercise for options was ₹ 1,086 per share (31st March, 2017: ₹ 944 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March, 2018, was 2.97 years (31st March, 2017: 3.1 years).

### 4.8.3.2 For options referred to in 4.8.2(a) & (b)

|                                          | Number of Options and RSUs |          | Number of SAR's |          |
|------------------------------------------|----------------------------|----------|-----------------|----------|
|                                          | Current Year               |          | Current Year    |          |
|                                          | Nos.                       | WAEP (₹) | Nos.            | WAEP (₹) |
| Outstanding at the beginning of the year | -                          | -        | -               | -        |
| Granted during the year                  | 157,232                    | 377      | 278,915         | 235      |
| Exercised during the year                | -                          | -        | 5,141           | 164      |
| Lapsed during the year                   | 35,065                     | 420      | 105,897         | 233      |
| Outstanding at the end of the year       | 122,167                    | 364      | 167,877         | 239      |
| Options: Unvested at the end of the year | 54,316                     | 437      | 57,938          | 579      |
| Exercisable at the end of the year       | 67,851                     | 306      | 109,939         | 59       |

Weighted average remaining contractual life for the share options outstanding as at 31st March, 2018 was 3.41 years.

The weighted average share price at the date of exercise for SAR's was ₹ 1,083.5 per share (31st March, 2017: ₹ 3,500 per share) and weighted average remaining contractual life for the SAR's outstanding as at 31st March, 2018, was 3.4 years .



#### 4.8.4 Fair Valuation

The fair value of options used to compute proforma net income and earnings per equity share has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model.

The Key Assumptions in Black-Scholes Model for calculating fair value as on the date of grant are:

##### 4.8.4.1 For options referred to in 4.8.1(a) & (b)

| ESOS-2006             | Options                                              |            |             |            |           |
|-----------------------|------------------------------------------------------|------------|-------------|------------|-----------|
|                       | Tranche I                                            | Tranche II | Tranche III | Tranche IV | Tranche V |
| Risk-Free Rate        | 7.78%                                                | 7.78%      | 7.78%       | 8.09%      | 8.58%     |
| Option Life (Years)   | Vesting Period (1 Year) + Average of Exercise Period |            |             |            |           |
| Expected Volatility * | 33.00%                                               | 36.00%     | 45.64%      | 31.73%     | 24.01%    |
| Dividend Yield        | 1.84%                                                | 1.80%      | 1.58%       | 0.61%      | 1.03%     |

The weighted-average fair value of the option, as on the date of grant, works out to ₹ 211 per stock option (Previous Year: ₹ 211 per stock option).

| ESOS-2013             | Options                                              |            |             |            |           | RSU's     |            |             |            |           |            |
|-----------------------|------------------------------------------------------|------------|-------------|------------|-----------|-----------|------------|-------------|------------|-----------|------------|
|                       | Tranche I                                            | Tranche II | Tranche III | Tranche IV | Tranche V | Tranche I | Tranche II | Tranche III | Tranche IV | Tranche V | Tranche VI |
| Risk-Free Rate        | 8.58%                                                | 8.87%      | 7.87%       | 7.60%      | 7.49%     | 8.66%     | 8.90%      | 9.00%       | 7.96%      | 7.78%     | 7.75%      |
| Option Life (Years)   | Vesting Period (1 Year) + Average of Exercise Period |            |             |            |           | 5.50      | 5.50       | 5.50        | 5.50       | 5.50      | 5.50       |
| Expected Volatility * | 24.01%                                               | 23.47%     | 28.26%      | 27.96%     | 27.43%    | 24.01%    | 23.76%     | 23.47%      | 28.52%     | 28.41%    | 28.01%     |
| Dividend Yield        | 1.03%                                                | 1.10%      | 0.36%       | 0.52%      | 0.48%     | 1.34%     | 1.40%      | 1.43%       | 0.34%      | 0.51%     | 0.47%      |

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 215 per stock option and ₹ 539 per RSU. (Previous Year: ₹ 1,049 per stock option and ₹ 2,646 per RSU).

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSUs upto the date of grant.

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## 4.8.4.2 For options referred to in 4.8.2(a)&amp;(b)

| ESOS-2013                                                           | Options                 |             |              |             | RSU's                     |             |              |             |
|---------------------------------------------------------------------|-------------------------|-------------|--------------|-------------|---------------------------|-------------|--------------|-------------|
|                                                                     | Tranche IA              | Tranche IIA | Tranche IIIA | Tranche IVA | Tranche IA                | Tranche IIA | Tranche IIIA | Tranche IVA |
| Risk-Free Rate                                                      | 6.60%                   | 6.50%       | 6.60%        | 6.70%       | 6.50%                     | 6.50%       | 6.50%        | 6.70%       |
| Option Life (Years)                                                 | 2.6 years               | 2.1 years   | 2.7 years    | 4.4 years   | 2.2 years                 | 2.3 years   | 2.9 years    | 4.4 years   |
| Expected Volatility *                                               | 27.20%                  | 28.10%      | 27.80%       | 27.20%      | 27.70%                    | 27.40%      | 27.20%       | 27.40%      |
| Dividend Yield                                                      | 0.31%                   | 0.31%       | 0.31%        | 0.31%       | 0.31%                     | 0.31%       | 0.31%        | 0.31%       |
| Weighted average fair value of the option/ RSU on the date of grant | ₹ 583 per stock option. |             |              |             | ₹ 1,004 per stock option. |             |              |             |

|                                                                     | SAR's (Linked with the Company's Market Price) |             |              |             |             | SAR's (Linked with Aditya Birla Capital Limited's Market Price) |             |              |             |             |
|---------------------------------------------------------------------|------------------------------------------------|-------------|--------------|-------------|-------------|-----------------------------------------------------------------|-------------|--------------|-------------|-------------|
|                                                                     | Tranche IA                                     | Tranche IIA | Tranche IIIA | Tranche IVA | Tranche IVB | Tranche IA                                                      | Tranche IIA | Tranche IIIA | Tranche IVA | Tranche IVB |
| Risk-Free Rate                                                      | 6.71%                                          | 6.71%       | 6.71%        | 7.09%       | 7.48%       | 6.71%                                                           | 6.71%       | 6.71%        | 7.09%       | 7.48%       |
| Option Life (Years)                                                 | 0.84 years                                     | 0.75 years  | 1.22 years   | 2.48 years  | 3.65 years  | 0.84 years                                                      | 0.75 years  | 1.22 years   | 2.48 years  | 3.65 years  |
| Expected Volatility *                                               | 31.01%                                         | 31.01%      | 31.01%       | 31.01%      | 31.01%      | 19.94%                                                          | 19.94%      | 19.94%       | 19.94%      | 19.94%      |
| Dividend Yield                                                      | 0.52%                                          | 0.52%       | 0.52%        | 0.52%       | 0.51%       | 0.39%                                                           | 0.39%       | 0.39%        | 0.37%       | 0.35%       |
| Weighted average fair value of the option/ RSU on the date of grant | ₹ 316.60 per stock option.                     |             |              |             |             | ₹ 66.75 per stock option.                                       |             |              |             |             |

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSUs upto the date of grant.

**4.8.5 Employee Stock Option expenses recognised in the Statement of Profit and Loss ₹ 0.17 Crore (Previous Year: ₹ 5.33 Crore).**

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## 4.9 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (Ind AS 107)

### A. Classification of Financial Assets and Liabilities:

| Particulars                                                              | 31st March, 2018 |                  | 31st March, 2017 |                 |
|--------------------------------------------------------------------------|------------------|------------------|------------------|-----------------|
|                                                                          | Carrying Value   | Fair Value       | Carrying Value   | Fair Value      |
| <b>Financial Assets at Amortised Cost</b>                                |                  |                  |                  |                 |
| Trade Receivables                                                        | 2,609.32         | 2,609.32         | 1,189.55         | 1,189.55        |
| Loans                                                                    | 223.22           | 223.22           | 192.35           | 192.35          |
| Cash and Bank Balances                                                   | 41.88            | 41.88            | 52.74            | 52.74           |
| Other Financial Assets                                                   | 254.61           | 254.61           | 44.56            | 44.56           |
| <b>Financial Assets at Fair Value through Other Comprehensive Income</b> |                  |                  |                  |                 |
| Investments (Current and Non-Current)                                    | 4,559.07         | 4,559.07         | 2,904.94         | 2,904.94        |
| <b>Financial Assets at Fair Value through Profit and Loss</b>            |                  |                  |                  |                 |
| Investments (Current and Non-Current)                                    | 2,777.67         | 2,777.67         | 2,433.79         | 2,433.79        |
| <b>Total</b>                                                             | <b>10,465.77</b> | <b>10,465.77</b> | <b>6,817.93</b>  | <b>6,817.93</b> |
| <b>Financial Liabilities at Amortised Cost</b>                           |                  |                  |                  |                 |
| Rupee Term Loans from Banks                                              | 517.57           | 500.09           | 622.31           | 607.73          |
| Deferred Sales Tax Loans                                                 | 13.12            | 13.12            | 18.37            | 18.37           |
| Non-Convertible Debentures                                               | 514.69           | 557.34           | -                | -               |
| External Commercial Borrowing                                            | 194.07           | 194.07           | -                | -               |
| Rupee Loans (Current)                                                    | 494.40           | 494.40           | 60.81            | 60.81           |
| Foreign Currency Loans (Current)                                         | 715.41           | 715.41           | -                | -               |
| Documentary Demand Bills/Usance Bills under Letter of Credit discounted  | 19.51            | 19.51            | -                | -               |
| Commercial Papers (Current)                                              | 500.00           | 500.00           | -                | -               |
| Finance Lease Obligation (Current maturities of Non Current Borrowings)  | 0.23             | 0.23             | -                | -               |
| Trade Payables                                                           | 2,131.79         | 2,131.79         | 1,113.93         | 1,113.93        |
| Other Financial Liabilities                                              | 252.69           | 252.69           | 98.73            | 98.73           |
| <b>Hedging Instruments measured at Fair Value</b>                        |                  |                  |                  |                 |
| Derivative Liabilities                                                   | 24.96            | 24.96            | 11.15            | 11.15           |
| <b>Total</b>                                                             | <b>5,378.44</b>  | <b>5,403.61</b>  | <b>1,925.30</b>  | <b>1,910.72</b> |

### B. Fair Value Measurements (Ind AS 113):

The fair values of the Financial Assets and Liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares, which are traded on the stock exchanges, is valued using the closing price at the reporting date.



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Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. Investments in Debentures or Bonds are valued on the basis of dealer's quotation based on fixed income and money market association (FIMMDA).

If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

| Particulars                                                                               | Fair Value<br>(₹ in Crore) |                           |
|-------------------------------------------------------------------------------------------|----------------------------|---------------------------|
|                                                                                           | As at<br>31st March, 2018  | As at<br>31st March, 2017 |
| <b>Financial Assets at Fair Value through Other Comprehensive Income</b>                  |                            |                           |
| Investments in Debentures or Bonds (Level 2)                                              | 167.85                     | 170.48                    |
| Investment in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates) |                            |                           |
| - Level 1                                                                                 | 3,879.33                   | 2,379.92                  |
| - Level 3                                                                                 | 511.89                     | 354.54                    |
| <b>Financial Assets at Fair Value through Profit and Loss</b>                             |                            |                           |
| Investments in Mutual Funds (Level 2)                                                     | 2,667.85                   | 2,347.42                  |
| Investments in Preference Shares (Level 3)                                                | 109.82                     | 86.37                     |
| <b>Total</b>                                                                              | <b>7,336.74</b>            | <b>5,338.73</b>           |
| <b>Long Term Borrowings (Level 3)</b>                                                     |                            |                           |
| Rupee Term Loans from Banks                                                               | 500.09                     | 607.73                    |
| Deferred Sales Tax Loans                                                                  | 13.12                      | 18.37                     |
| Non-Convertible Debentures                                                                | 557.34                     | -                         |
| External Commercial Borrowing                                                             | 194.07                     | -                         |
| <b>Total</b>                                                                              | <b>1,264.62</b>            | <b>626.10</b>             |
| <b>Hedging Instruments measured at Fair Value</b>                                         |                            |                           |
| Derivative Liabilities (Level 2)                                                          | 24.96                      | 11.15                     |
| <b>Total</b>                                                                              | <b>24.96</b>               | <b>11.15</b>              |

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, commercial papers, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the reporting period ending 31st March, 2018 and 31st March, 2017, there was no transfer between level 1 and level 2 fair value measurement.

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## 4.9.1 Key Inputs for Level 1 & 2 Fair Valuation Technique:

1. Mutual Funds : Based on Net Asset Value of the Scheme (Level 2).
2. Debentures or Bonds: Based on market yield for instruments with similar risk profile/maturity etc. (Level 2).
3. Listed Equity Investments (other than Subsidiaries, Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1).
4. Derivative Liabilities (Level 2)
  - (a) The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves and an appropriate discount factor.
  - (b) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of respective currencies.
  - (c) The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor.

## 4.9.2 Description of Significant Unobservable Inputs used for Financial Instruments (Level 3)

The following table shows the valuation techniques used for financial instruments:

|                                                                                        |                                                                                         |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Investments in Preference Shares                                                       | Discounted cash flow method using risk adjusted discount rate                           |
| Equity Investments - Unquoted (other than Subsidiaries, Joint Ventures and Associates) | Discounted cash flow method using risk adjusted discount rate/Net worth of Investee Co. |
| Other Financial Assets (Non-Current)                                                   | Discounted cash flow method using risk adjusted discount rate                           |
| Other Financial Liabilities (Non-Current)                                              | Discounted cash flow method using risk adjusted discount rate                           |
| Long-term Borrowings - Deferred Sales Tax Loans and Non-Convertible Debentures         | Discounted cash flow method using risk adjusted discount rate                           |

## 4.9.3 The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values:

|                                                                                      | (₹ in Crore)  |
|--------------------------------------------------------------------------------------|---------------|
| <b>Balances as at 1st April, 2016</b>                                                | <b>355.47</b> |
| Add: Fair Value Loss recognised in other expense in the Statement of Profit and Loss | (2.84)        |
| Add: Fair Value Gain recognised in OCI                                               | 88.28         |
| <b>Balances as at 31st March, 2017</b>                                               | <b>440.91</b> |
| Add: Preference Shares received on merger of ABNL                                    | 14.51         |
| Add: Fair Value Loss recognised in other income in the Statement of Profit and Loss  | 8.93          |
| Less: Sale of Investments                                                            | (0.15)        |
| Add: Fair Value Gain recognised in OCI                                               | 157.51        |
| <b>Balances as at 31st March, 2018</b>                                               | <b>621.71</b> |



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## 4.9.4 Relationship of Unobservable Inputs to Level 3 Fair Values (Recurring):

### A. Equity Investments - Unquoted (Significant unobservable input being average cost of borrowings to arrive at discount rate):

A 100 bps increase/decrease in the Weighted Average Cost of Capital (WACC) or discount rate used while all other variables were held constant, the carrying value of the shares would decrease by ₹ 12.35 Crore or increase by ₹ 16.21 Crore (as at 31st March, 2017: decrease by ₹ 7.50 Crore or increase by ₹ 11 Crore).

### B. Equity Investments - Unquoted (For Equity Shares where Net Worth is used):

A 500 bps increase/decrease in the profit or loss while all the other variables were held constant, the carrying value of the shares would increase/decrease by ₹ 0.01 Crore or (as at 31st March, 2017: increase/decrease by ₹ 0.01 Crore).

### C. Preference Shares - (Significant unobservable input being average cost of borrowings to arrive at discount rate):

A 100 bps increase/decrease in the discount rate used while all the other variables were held constant, the carrying value of the shares would decrease by ₹ 5.36 Crore or increase by ₹ 5.74 Crore (as at 31st March, 2017: decrease by ₹ 5.60 Crore or increase by ₹ 5.80 Crore).

## 4.10 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities exposes it to market risk, liquidity risk and credit risk.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

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The sources of risks which the Company is exposed to and their management is given below:

| Risks                          | Exposure Arising From                                                                                                   | Measurement                                   | Management                                                                                                                                                 |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| • <b>Market Risk:</b>          |                                                                                                                         |                                               |                                                                                                                                                            |
| - <b>Foreign Exchange Risk</b> | Committed commercial transactions, Financial Assets and Liabilities not denominated in INR                              | Cash Flow Forecasting, Sensitivity Analysis   | Forward Foreign Exchange Contracts, Currency Swaps, Foreign Exchange Options                                                                               |
| - <b>Interest Rate Risk</b>    | Long-term Borrowings at fixed / variable rates<br>Investments in Debt Schemes of Mutual Funds and Other Debt Securities | Sensitivity Analysis, Interest Rate Movements | Interest Rate Swaps<br>Portfolio Diversification                                                                                                           |
| - <b>Equity Price Risk</b>     | Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost)                         | Financial Performance of the Investee Company | Investments are long-term in nature and / or in Companies with sound management with leadership positions in their respective businesses                   |
| • <b>Credit Risk</b>           | Trade Receivables, Investments, Derivative Financial Instruments, Loans                                                 | Ageing Analysis, Credit Rating                | Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria based approval process |
| • <b>Liquidity Risk</b>        | Borrowings and Other Liabilities and Liquid Investments                                                                 | Rolling Cash Flow Forecasts, Broker Quotes    | Adequate unused credit lines and borrowing facilities<br>Portfolio Diversification                                                                         |

The Management updates the Audit Committee / Risk Management Committee/ Board of Directors on a quarterly basis about the implementation of the above policies. It also updates on periodical basis about various risk to the business and the status of various activities planned to mitigate such risks.

Details relating to the risks are provided here below:

## A. Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to import of fuels, raw materials and spare parts, plant and equipment, exports and foreign currency borrowings.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies and standard operating procedures. It uses derivative instruments like forwards / options to hedge exposure of foreign currency risk.

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When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the foreign currency exposure.

## (i) Foreign Currency Sensitivity:

The sensitivities are based on financial assets and liabilities held at 31st March 2018 which are not denominated in Indian Rupees. The sensitivities do not take into account the Company's sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

| Currency                                      | 31st March 2018, (₹ in Crore)               |                                             |                                           |                                           |
|-----------------------------------------------|---------------------------------------------|---------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                               | Effect of 5% Strengthening of INR on Profit | Effect of 5% Strengthening of INR on Equity | Effect of 5% Diminishing of INR on Profit | Effect of 5% Diminishing of INR on Equity |
| USD                                           | 69.27                                       | (25.46)                                     | (69.27)                                   | 25.46                                     |
| EUR                                           | (0.37)                                      | -                                           | 0.37                                      | -                                         |
| GBP                                           | 0.30                                        | -                                           | (0.30)                                    | -                                         |
| JPY                                           | 0.01                                        | -                                           | (0.01)                                    | -                                         |
| CAD                                           | -                                           | -                                           | -                                         | -                                         |
| AUD                                           | -                                           | (0.14)                                      | -                                         | 0.14                                      |
| CNY                                           | (1.19)                                      | -                                           | 1.19                                      | -                                         |
| THB                                           | -                                           | (7.73)                                      | -                                         | 7.73                                      |
| <b>Increase /(Decrease) in Profit/ Equity</b> | <b>68.02</b>                                | <b>(33.33)</b>                              | <b>(68.02)</b>                            | <b>33.33</b>                              |

| Currency                                      | 31st March 2017, (₹ in Crore)               |                                             |                                           |                                           |
|-----------------------------------------------|---------------------------------------------|---------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                               | Effect of 5% Strengthening of INR on Profit | Effect of 5% Strengthening of INR on Equity | Effect of 5% Diminishing of INR on Profit | Effect of 5% Diminishing of INR on Equity |
| USD                                           | (10.70)                                     | 17.54                                       | 10.70                                     | (17.54)                                   |
| EUR                                           | 2.18                                        | -                                           | (2.18)                                    | -                                         |
| CAD                                           | (1.73)                                      | -                                           | 1.73                                      | -                                         |
| CNY                                           | 2.92                                        | -                                           | (2.92)                                    | -                                         |
| THB                                           | -                                           | 6.19                                        | -                                         | (6.19)                                    |
| Peso                                          | -                                           | 0.15                                        | -                                         | (0.15)                                    |
| <b>Increase /(Decrease) in Profit/ Equity</b> | <b>(7.33)</b>                               | <b>23.88</b>                                | <b>7.33</b>                               | <b>(23.88)</b>                            |

## (ii) Hedging Activities and Derivatives:

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company uses various derivative financial instruments, such as foreign exchange forward contracts, option contracts, future contracts and currency swaps to manage and mitigate its exposure to foreign exchange risk. The Company reports periodically to its risk management committee, the foreign exchange risks and compliance of the policies to manage its foreign exchange risk.

The Company has taken foreign currency floating rate borrowings, which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Company has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency.

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The Company assesses hedge effectiveness based on the following criteria:

- (i) an economic relationship between the hedged item and the hedging instrument;
- (ii) the effect of credit risk; and
- (iii) assessment of the hedge ratio

The Company designates the forward exchange contracts to hedge its currency risk and generally applies a hedge ratio of 1:1. The Company's policy is to match the tenor of the forward exchange contracts with the hedged item.

## (a). Cash Flow Hedge

### Details of Foreign Exchange Forward Contracts Outstanding as on 31st March, 2018

| Sr. No.   | Type of Hedges and Risks                  | Foreign currency Amount (₹ in Crore) |             | Weighted Average Foreign Exchange Rate |             | Nominal Value (₹ in Crore) |             | Carrying amount of Hedging Instrument (₹ in Crore) |             | Maturity Date-Range      | Change in Fair Value of Hedging Instrument (₹ in Crore) |
|-----------|-------------------------------------------|--------------------------------------|-------------|----------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|--------------------------|---------------------------------------------------------|
|           |                                           | Assets                               | Liabilities | Assets                                 | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |                          |                                                         |
| <b>A</b>  | <b>CASH FLOW HEDGE</b>                    |                                      |             |                                        |             |                            |             |                                                    |             |                          |                                                         |
|           | <b>Foreign Exchange Risk</b>              |                                      |             |                                        |             |                            |             |                                                    |             |                          |                                                         |
| <b>1.</b> | <b>Foreign Exchange Forward Contracts</b> |                                      |             |                                        |             |                            |             |                                                    |             |                          |                                                         |
| (a)       | USD                                       | 0.03                                 | 0.87        | 66.44                                  | 65.98       | 1.99                       | 57.27       | -                                                  | (0.08)      | 01-04-2018 to 05-09-2018 | 0.41                                                    |
| (b)       | EUR                                       | 0.02                                 | 2.30        | 79.21                                  | 72.04       | 1.41                       | 165.36      | 0.05                                               | 22.79       | 27-04-2018 to 27-12-2018 | 0.35                                                    |
| (c)       | GBP                                       | -                                    | 0.22        | -                                      | 91.46       | -                          | 20.14       | -                                                  | 0.58        | 25-05-2018 to 25-01-2019 | (0.55)                                                  |
| <b>2.</b> | <b>Cross Currency Interest Rate Swaps</b> |                                      |             |                                        |             |                            |             |                                                    |             |                          |                                                         |
| (a)       | USD                                       | -                                    | 3.00        | -                                      | 65.25       | -                          | 195.75      | -                                                  | 1.81        | 20-08-2019 to 20-08-2021 | 2.19                                                    |

## (b). Fair Value Hedge

### Details of Foreign Exchange Forward Contracts Outstanding

| Sr. No.   | Type of Hedges and Risks                  | Foreign currency Amount (₹ in Crore) |             | Weighted average Foreign Exchange Rate |             | Nominal Value (₹ in Crore) |             | Carrying amount of hedging instrument (₹ in Crore) |             | Maturity Date-Range      |
|-----------|-------------------------------------------|--------------------------------------|-------------|----------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|--------------------------|
|           |                                           | Assets                               | Liabilities | Assets                                 | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |                          |
| <b>B</b>  | <b>FAIR VALUE HEDGE</b>                   |                                      |             |                                        |             |                            |             |                                                    |             |                          |
|           | <b>Foreign Exchange Risk</b>              |                                      |             |                                        |             |                            |             |                                                    |             |                          |
| <b>1)</b> | <b>Foreign Exchange Forward Contracts</b> |                                      |             |                                        |             |                            |             |                                                    |             |                          |
| (a)       | USD                                       | 3.77                                 | 0.17        | 66.55                                  | 64.88       | 250.88                     | 11.13       | -                                                  | 2.54        | 10-04-2018 to 22-02-2019 |

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| Sr. No. | Type of Hedges and Risks | Foreign currency Amount<br>(₹ in Crore) |             | Weighted average Foreign Exchange Rate |             | Nominal Value<br>(₹ in Crore) |             | Carrying amount of hedging instrument<br>(₹ in Crore) |             | Maturity Date-Range      |
|---------|--------------------------|-----------------------------------------|-------------|----------------------------------------|-------------|-------------------------------|-------------|-------------------------------------------------------|-------------|--------------------------|
|         |                          | Assets                                  | Liabilities | Assets                                 | Liabilities | Assets                        | Liabilities | Assets                                                | Liabilities |                          |
| (b)     | EUR                      | 1.67                                    | 0.14        | 81.66                                  | 78.79       | 136.29                        | 11.02       | 2.40                                                  | -           | 05-04-218 to 12-02-2019  |
| (c)     | GBP                      | -                                       | 0.06        | -                                      | 88.31       | -                             | 5.53        | -                                                     | 0.30        | 23-04-2018 to 27-07-2018 |
| (c)     | JPY                      | -                                       | 1.50        | -                                      | 0.58        | -                             | 0.88        | -                                                     | 0.06        | 10-04-2018 to 29-12-2018 |

## B. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuates because of changes in prevailing market interest rates. The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's short-term borrowings (excluding commercial paper) with floating interest rates. For all long-term borrowings in foreign currency with floating interest rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

### Interest Rate Exposure:

| Particulars                         | (₹ in Crore)     |                          |                       |                                 |
|-------------------------------------|------------------|--------------------------|-----------------------|---------------------------------|
|                                     | Total Borrowings | Floating Rate Borrowings | Fixed Rate Borrowings | Non-Interest Bearing Borrowings |
| Rupee Borrowings                    | 2,059.52         | 480.05                   | 1566.35               | 13.12                           |
| USD Borrowings                      | 909.48           | 715.41                   | 194.07                | -                               |
| <b>Total as at 31st March, 2018</b> | <b>2969.00</b>   | <b>1195.46</b>           | <b>1760.42</b>        | <b>13.12</b>                    |
| Rupee Borrowings                    | 701.49           | 643.74                   | 39.38                 | 18.37                           |
| USD Borrowings                      | -                | -                        | -                     | -                               |
| <b>Total as at 31st March, 2017</b> | <b>701.49</b>    | <b>643.74</b>            | <b>39.37</b>          | <b>18.38</b>                    |

### Interest Rate Sensitivities for Floating Rate Borrowings (Impact of Increase / (Decrease) in 1%):

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Increase/Decrease in interest rates at the balance sheet date would result in an impact (decrease/increase in case of net income and increase/decrease in case of net loss) for the respective year(s) is as below.

|                        | (₹ in Crore) |                             |
|------------------------|--------------|-----------------------------|
|                        | Basis Point  | Effect on Profit Before Tax |
| <b>31st March 2018</b> |              |                             |
| INR - Increase         | 100          | -4.80                       |
| INR - Decrease         | 100          | 4.80                        |
| USD - Increase         | 100          | -7.15                       |
| USD - Decrease         | 100          | 7.15                        |



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|                        |             | (₹ in Crore)                |
|------------------------|-------------|-----------------------------|
|                        | Basis Point | Effect on Profit Before Tax |
| <b>31st March 2017</b> |             |                             |
| INR - Increase         | 100         | -6.44                       |
| INR - Decrease         | 100         | 6.44                        |

Note: If the rate is decreased by 1% profit will increase by an equal amount.

The Company's manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings, which is monitored on continuous basis. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowings (excluding commercial papers) with floating interest rates. For certain long-term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. These swaps are designated to hedge underlying debt obligations. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowings have been done on the notional value of the foreign currency (excluding the revaluation).

## C. Equity Price Risk:

The Company is exposed to equity price risk arising from Equity Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost).

### Equity Price Sensitivity Analysis:

The Sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices of the quoted investments increase/decrease by 5%, Other Comprehensive Income for the year ended 31st March, 2018 would increase/decrease by ₹ 186.61 Crore (for the year ended 31st March, 2017 by ₹ 118.97 Crore).

## D. Credit Risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

The carrying amount of financial assets represents the maximum credit risk exposure.

### (i) Trade Receivables:

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

Total Trade receivables as on 31st March, 2018 is ₹ 2,609.32 Crore (31st March, 2017: ₹ 1,189.55 Crore)

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The Company does not have higher concentration of credit risks to a single customer. Single largest customers of all businesses have exposure of 4.20% of total sales (31st March, 2017: 5.6%) and in receivables 2.72% (31st March, 2017: 10%).

The ageing analysis of the receivables (net of provision) has been considered from the date the invoice falls due.

| (₹ in Crore)                                               |                               |                       |                   |                   |                        |          |
|------------------------------------------------------------|-------------------------------|-----------------------|-------------------|-------------------|------------------------|----------|
| Particulars                                                | Neither past due nor impaired | For less than 1 Month | For 1 to 3 Months | For 3 to 6 Months | For more than 6 Months | Total    |
| <b>As at 31st March 2018</b>                               |                               |                       |                   |                   |                        |          |
| Trade Receivables                                          | 2,300.72                      | 189.1                 | 62.9              | 24.4              | 32.2                   | 2,609.32 |
| Other Financial Assets- Fertiliser Subsidy and Gas Pooling | 92.5                          | 28.53                 | 17.3              | 0.81              | 2.51                   | 141.65   |
| <b>As at 31st March, 2017</b>                              |                               |                       |                   |                   |                        |          |
| Trade Receivables                                          | 994.55                        | 105.7                 | 29.9              | 21.6              | 37.8                   | 1,189.55 |

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

However, total write off against receivables are "Nil" of the outstanding receivables for the current year (0.09% in the previous year).

## Movement of Allowance for Doubtful Debts:

| (₹ in Crore)                                  |              |               |
|-----------------------------------------------|--------------|---------------|
| Particulars                                   | Current Year | Previous Year |
| Opening Provision                             | 9.55         | 3.76          |
| Transferred on amalgamation of erstwhile ABNL | 43.56        | -             |
| Add: Provided during the year                 | 16.87        | 5.79          |
| Less: Utilised during the year                | -            | -             |
| Closing Provision                             | 69.98        | 9.55          |

## (ii) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international / domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with reputed Banks.

Investments of surplus funds are made only with internally approved Financial Institutions/Counterparty. Investments primarily include investment in units of quoted Mutual Funds, quoted Bonds, Non-Convertible Debentures issued by Government/Semi-Government Agencies/PSU Bonds/High Investment grade Corporates etc. These Mutual Funds and Counterparties have low credit risk.

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The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investments in debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Total Non-current and current investments as on 31st March, 2018 is ₹ 35,546.59 Crore (31st March, 2017 ₹ 8,996.42 Crore).

## E. Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of undrawn credit facilities to meet obligations when due. The Company's treasury team is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

|                                                               |                     |              |                      | (₹ in Crore) |
|---------------------------------------------------------------|---------------------|--------------|----------------------|--------------|
| As at 31st March, 2018                                        | Less than<br>1 Year | 1 to 5 Years | More than<br>5 Years | Total        |
| <b>Financial Liabilities:</b>                                 |                     |              |                      |              |
| Borrowings (including Current Maturities of Long-term Debts)* | 2115.84             | 827.97       | 20.33                | 2,964.14     |
| Trade Payables                                                | 2,131.79            | -            | -                    | 2,131.79     |
| Interest Accrued but not Due on Borrowings                    | 24.65               | -            | -                    | 24.65        |
| Other Financial Liabilities (excluding Derivative Liability)  | 222.46              | -            | 5.58                 | 228.04       |
| Derivative Liability                                          | 24.96               | -            | -                    | 24.96        |
| <b>Liquid Financial Assets:</b>                               |                     |              |                      |              |
| Surplus Investments in Mutual Funds, Bonds, etc.              | 1,925.04            | 1363.27      | 64.91                | 3353.22      |

|                                                               |                     |              |                      | (₹ in Crore) |
|---------------------------------------------------------------|---------------------|--------------|----------------------|--------------|
| As at 31st March, 2017                                        | Less than<br>1 Year | 1 to 5 Years | More than<br>5 Years | Total        |
| <b>Financial Liabilities:</b>                                 |                     |              |                      |              |
| Borrowings (including Current Maturities of Long-term Debts)* | 317.81              | 376.20       | 13.15                | 707.16       |
| Trade Payables                                                | 1,113.93            | -            | -                    | 1,113.93     |
| Interest Accrued but not Due on Borrowings                    | 5.23                | -            | -                    | 5.23         |

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| As at 31st March, 2017                                          | (₹ in Crore)        |              |                      |          |
|-----------------------------------------------------------------|---------------------|--------------|----------------------|----------|
|                                                                 | Less than<br>1 Year | 1 to 5 Years | More than<br>5 Years | Total    |
| Other Financial Liabilities (excluding<br>Derivative Liability) | 90.80               | -            | 2.70                 | 93.50    |
| Derivative Liability                                            | 11.15               | -            | -                    | 11.15    |
| <b>Liquid Financial Assets:</b>                                 |                     |              |                      |          |
| Surplus Investments in Mutual Funds,<br>Bonds, etc.             | 1,571.86            | 880.61       | 65.43                | 2,517.90 |

\* Contractual amount

## 4.11 BUSINESS COMBINATION (IND AS 103)

### A) Scheme of Arrangement for Merger of Aditya Birla Nuvo Limited (ABNL) with the Company and demerger of Financial Services business into Aditya Birla Capital Limited (ABCL) (earlier known as Aditya Birla Financial Services Limited)

On 11th August 2016, the Board of Directors of the Company had approved a composite Scheme of Arrangement between the Company, ABNL and ABCL (a wholly owned Subsidiary of ABNL), and their respective shareholders and creditors for merger of ABNL with the Company, and the subsequent demerger of its financial services business into ABCL and consequent listing of equity shares of ABCL.

#### The Major Rationale for merger of ABNL:

- Stronger parentage for financial service business: Financial service business is likely to benefit from lower cost of funds, given strong credit rating of the Company.
- Access to high growth business: Cash flow of the merged entity from various operating business can be meaningfully leveraged towards nurturing companies with future growth opportunities.
- Value unlocking in financial service business: Demerger of Financial service business will unlock value for shareholders given the business has achieved scale, and listing of ABCL provides flexibility to independently fund its growth through various sources of capital.

During the year, the merger has become effective from 1st July, 2017, hence ABNL ceased to exist effective from 1st July, 2017, and demerger of financial services business into ABCL has also become effective from 4th July, 2017 in terms of the scheme. Further, the Company has issued 190,462,665 equity shares on 9th July, 2017 to the shareholders of ABNL in the ratio of 15 (fifteen) equity Shares of ₹ 2/- each fully paid up against 10 (ten) Equity Shares of ₹ 10/- each fully-paid up of ABNL, held by them on the record date for this purpose. As a result the Company's paid up share capital has increased from ₹ 93.38 Crore to ₹ 131.47 Crore.

The Value for the said transaction was ₹ 23,657.37 Crore based on market price of Company as on 30th June 2017.

On account of demerger of financial services business, ABCL has issued its equity shares in the ratio of 7 (seven) equity shares of ₹ 10 each fully paid-up in respect of 5 (five) equity shares of ₹ 2 each fully paid up of the Company, held by the shareholders of the Company on the record date for this purpose. As a result, the holding of the Company in ABCL stands reduced to 55.99%.

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

For the nine months period ended 31st March, 2018, erstwhile ABNL had contributed revenue of ₹ 4,062.51 Crore and profit before tax of ₹ 318.68 Crore to the Company's results. If the merger had occurred on 1st April, 2017, the consolidated revenue and profit before tax for the year ended would have been ₹ 5,416.68 Crore and ₹ 424.91 Crore, respectively, based on the amounts extrapolated by the management.

In determining these amounts, the management had assumed that the fair value adjustments, that arose on the date of merger, would have been the same if the merger had occurred on 1st April, 2017.

## (i) Identifiable Assets acquired and Liabilities Assumed

The following table summarises the recognised amounts for the assets acquired and liabilities assumed at the date of acquisition of ABNL and subsequent demerger of ABCL .

(₹ in Crore)

| Particulars                                                                                                      | As on<br>1st July, 2017 | Net assets<br>Transferred on<br>Demerger | Dilution of<br>Stake in ABCL<br>on Demerger | As on<br>4th July, 2017 |
|------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------|---------------------------------------------|-------------------------|
| Property, Plant and Equipment                                                                                    | 2,577.55                | (16.68)                                  | -                                           | 2,560.87                |
| Capital Work -in-Progress                                                                                        | 136.83                  | -                                        | -                                           | 136.83                  |
| Identifiable Intangible Assets                                                                                   | 500.84                  | -                                        | -                                           | 500.84                  |
| Non-Current Investments [Note A(ii)]                                                                             | 38,691.37               | (1,728.93)                               | (10,616.51)                                 | 26,345.93               |
| Loans                                                                                                            | 49.93                   | (13.63)                                  | -                                           | 36.30                   |
| Other Non Current Assets                                                                                         | 55.09                   | -                                        | -                                           | 55.09                   |
| Inventories                                                                                                      | 631.44                  | -                                        | -                                           | 631.44                  |
| Current Investments                                                                                              | 117.14                  | (117.14)                                 | -                                           | -                       |
| Trade Receivable                                                                                                 | 1,193.72                | -                                        | -                                           | 1,193.72                |
| Cash and Cash Equivalents<br>(Including other Bank Balances)                                                     | 61.83                   | -                                        | -                                           | 61.83                   |
| Other Current Assets                                                                                             | 223.20                  | -                                        | -                                           | 223.20                  |
| <b>Total Assets (A)</b>                                                                                          | <b>44,238.94</b>        | <b>(1,876.38)</b>                        | <b>(10,616.51)</b>                          | <b>31,746.05</b>        |
| Non-Current Borrowings                                                                                           | 1,145.85                | -                                        | -                                           | 1,145.85                |
| Current Borrowings                                                                                               | 1,078.12                | (51.27)                                  | -                                           | 1,026.85                |
| Trade Payables                                                                                                   | 923.13                  | -                                        | -                                           | 923.13                  |
| Provision against Contingent<br>Liability                                                                        | 70.39                   | -                                        | -                                           | 70.39                   |
| Other Liabilities and Provision                                                                                  | 292.84                  | (0.24)                                   | -                                           | 292.60                  |
| Deferred Tax Liabilities (Net)                                                                                   | 914.13                  | (103.26)                                 | -                                           | 810.87                  |
| Tax Provision (Net)                                                                                              | 26.22                   | -                                        | -                                           | 26.22                   |
| <b>Total Liabilities (B)</b>                                                                                     | <b>4,450.68</b>         | <b>(154.77)</b>                          | <b>-</b>                                    | <b>4,295.91</b>         |
| <b>Total Identifiable Net Assets<br/>acquired (before adjustment of<br/>cancellation of Cross Holding) (A-B)</b> | <b>39,788.26</b>        | <b>(1,721.61)</b>                        | <b>(10,616.51)</b>                          | <b>27,450.14</b>        |
| Less:                                                                                                            |                         |                                          |                                             |                         |
| Cancellation of Cross Holding by<br>the Company in erstwhile ABNL                                                | 621.55                  | -                                        | -                                           | 621.55                  |
| <b>Total Identifiable Net Assets<br/>acquired</b>                                                                | <b>39,166.71</b>        | <b>(1,721.61)</b>                        | <b>(10,616.51)</b>                          | <b>26,828.59</b>        |



# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

| Particulars                                                                                      | As on<br>1st July, 2017 | Net assets<br>Transferred on<br>Demerger | Dilution of<br>Stake in ABCL<br>on Demerger | As on<br>4th July, 2017 |
|--------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------|---------------------------------------------|-------------------------|
| Less:                                                                                            |                         |                                          |                                             | -                       |
| Purchase Consideration (Share Capital ₹ 38.09 Crore and Securities Premium of ₹ 23,619.28 Crore) | 23,657.37               | -                                        | -                                           | 23,657.37               |
| Reserves taken over                                                                              | 119.00                  | -                                        | -                                           | 119.00                  |
| Replacement of ABNL ESOP with the Company's ESOPs                                                | 9.80                    | -                                        | -                                           | 9.80                    |
| <b>Capital Reserve</b>                                                                           | <b>15,380.54</b>        | <b>(1,721.61)</b>                        | <b>(10,616.51)</b>                          | <b>3,042.42</b>         |

The gross contractual amounts and fair value of Trade and Other Receivables acquired ₹ 1,287.21 Crore. However, ₹ 43.56 of the Trade and Other Receivables are credit impaired and the balance of ₹ 1,243.65 Crore is expected to be recoverable.

(ii) **Details of Investments transferred from erstwhile ABNL to the Company (at Fair Value) as on 1st July, 2017**

(₹ in Crore)

|                                                                                              | Face Value | As at 1st July, 2017 |                  |
|----------------------------------------------------------------------------------------------|------------|----------------------|------------------|
|                                                                                              |            | Number               | Amount           |
| <b>Trade Investments</b>                                                                     |            |                      |                  |
| <b>Investments in Equity Instruments</b>                                                     |            |                      |                  |
| <b>Joint Ventures/Associates</b>                                                             |            |                      |                  |
| <b>Quoted:</b>                                                                               |            |                      |                  |
| <b>Associate</b>                                                                             |            |                      |                  |
| IDEA Cellular Limited                                                                        | ₹ 10       | 837,526,221          | 7,139.91         |
| <b>Unquoted:</b>                                                                             |            |                      |                  |
| <b>Subsidiaries</b>                                                                          |            |                      |                  |
| Aditya Birla Capital Limited                                                                 | ₹ 10       | 1,232,240,000        | 27,693.35        |
| ABNL Investment Limited                                                                      | ₹ 10       | 21,000,000           | 98.79            |
| Aditya Birla Finance Limited                                                                 | ₹ 10       | 61,273,146           | 1,718.73         |
| Shaktiman Mega Food Park Private Limited                                                     | ₹ 10       | 430,000              | 0.43             |
| Less: Provision for Impairment                                                               |            |                      | (0.43)           |
| <b>Joint Ventures</b>                                                                        |            |                      |                  |
| Aditya Birla Renewables Limited                                                              | ₹ 10       | 1,224,000            | 1.22             |
| Aditya Birla Solar Limited                                                                   | ₹ 10       | 30,326,602           | 30.33            |
| <b>Associate</b>                                                                             |            |                      |                  |
| Aditya Birla Idea Payments Bank Limited                                                      | ₹ 10       | 123,131,860          | 127.49           |
| <b>Total Investment in Equity Instruments of Subsidiaries/ Joint Ventures/Associates (A)</b> |            |                      | <b>36,809.82</b> |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

|                                                                                              | Face Value | As at 1st July, 2017 |                  |
|----------------------------------------------------------------------------------------------|------------|----------------------|------------------|
|                                                                                              |            | Number               | Amount           |
| <b>Other Non-Current Investments</b>                                                         |            |                      |                  |
| <b>Investments in Equity Instruments</b>                                                     |            |                      |                  |
| <b>Quoted:</b>                                                                               |            |                      |                  |
| Hindalco Industries Limited                                                                  | ₹ 1        | 33,506,337           | 639.80           |
| Aditya Birla Fashion and Retail Limited                                                      | ₹ 10       | 69,982,370           | 1,213.50         |
| <b>Unquoted:</b>                                                                             |            |                      |                  |
| <b>Carried at Fair Value through Other Comprehensive Income</b>                              |            |                      |                  |
| Aditya Birla Science & Technology Limited                                                    | ₹ 10       | 2,100,000            | 3.55             |
| <b>Investments in Preference Shares - Unquoted</b>                                           |            |                      |                  |
| <b>Subsidiaries -</b>                                                                        |            |                      |                  |
| 8.00% Cumulative and Redeemable Preference Shares of Aditya Birla Finance Limited            | ₹ 10       | 10,000,000           | 10.20            |
| <b>Others</b>                                                                                |            |                      |                  |
| 8.00% Cumulative and Redeemable Preference Shares of Aditya Birla Fashion and Retail Limited | ₹ 10       | 500,000              | 0.79             |
| 5.25% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited        | ₹ 100      | 1,500,000            | 13.71            |
| 8% Preference Shares of Birla Management Centre Services Limited                             | ₹ 10       | 200                  | ₹                |
| <b>Total Other Non-Current Investments (B)</b>                                               |            |                      | <b>1,881.55</b>  |
| <b>Total Non-Current Investment (A + B)</b>                                                  |            |                      | <b>38,691.37</b> |

₹ represents amount of ₹ 2000

- (iii) **Note on Capital reserve arising:-** Capital reserve has arisen as Swap Ratio was decided on the basis of Share Price as on 11th August 2016 (date of Announcement of Merger) and Purchase Consideration was determined on the date on which control was transferred, i.e. 1st July 2017.

(iv) **Details of Acquisition Related Cost**

(₹ in Crore)

|                                                                                                      |               |
|------------------------------------------------------------------------------------------------------|---------------|
| Provision for stamp duty for title transfer in the name of the Company                               | 213.00        |
| Legal, advisory, valuation, professional or consulting fees, cost of issuing equity securities, etc. | 12.90         |
| <b>Total</b>                                                                                         | <b>225.90</b> |

- (v) The figures given above are provisional as fair valuation of one of the associate is still under progress due to merger going on with other Company.

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

## B) Arrangement with Century Textiles and Industries Limited ('CTIL') for obtaining right and responsibility to manage, operate, use and control the Viscose Filament Yarn ('VFY') Business of CTIL.

The Board of Directors of the Company at their meeting held on 12th December, 2017, have approved an arrangement with Century Textiles and Industries Limited (CTIL), under which CTIL will grant the right and responsibility to manage, operate, use and control the Viscose Filament Yarn (VFY) business of CTIL (without transferring ownership in the underlying immovable and movable assets other than working Capital) for a duration of 15 (fifteen) years to the Company for the an agreed consideration. The above said arrangement has become effective from 1st February, 2018.

The VFY business of CTIL is based out of Shahad in Maharashtra, India, with an annual capacity of 26,500 tonnes. Products manufactured include Pot Spun Yarn, Continuous Spun Yarn, VFY and Rayon Tyre Yarn.

### The major rationale for such arrangement:

- Grasim with its new SSY technology and CTIL's presence in Rayon Tyre Yarn would offer significant growth prospects.
- Synergy potential in plant and sales operations would provide additional benefits.
- Potential to leverage brand strength in value chain.
- Capex light capacity expansion compared to a Greenfield expansion.

In terms of the agreement, the Company has discharged consideration in the following manner:

- Commutated royalty amounting to ₹ 600 Crore.
- Time value of money of interest free deposit ₹ 161.40 Crore.
- Net working capital at closing is estimated at approximately ₹ 103.31 Crore.

For the two months period ended 31st March, 2018, the said VFY business unit has contributed revenue of ₹ 161.28 Crore and profit before tax of ₹ 8.58 Crore (including fair valuation impact of Finished Goods Inventory) to the Company's results. If the said arrangement had occurred on 1st April, 2017, the consolidated revenue and profit before tax for the year ended would have been ₹ 967.68 Crore and ₹ 51.48. Crore respectively, based on the amounts extrapolated by the management. In determining these amounts, the management has assumed that the fair value adjustments, that arose on the date of arrangement have been same the as if the arrangement occurred on 1st April, 2017.

### Identifiable Assets acquired and Liabilities Assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

| Particulars                                        | (₹ in Crore)                |
|----------------------------------------------------|-----------------------------|
|                                                    | As on<br>1st February, 2018 |
| Identifiable Intangible Assets                     |                             |
| Right to Manage and Operate Manufacturing Facility | 661.50                      |
| Distributor/Customer Relationship                  | 76.30                       |
| Order Backlog                                      | 9.20                        |
| Non-compete                                        | 21.50                       |
| Net Working Capital                                |                             |

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

| (₹ in Crore)                                           |                             |
|--------------------------------------------------------|-----------------------------|
| Particulars                                            | As on<br>1st February, 2018 |
| Fair value of Interest benefit Receivable              | 7.93                        |
| Other Non Current Assets (Financial and Non-Financial) | 0.78                        |
| Inventories                                            | 127.52                      |
| Trade Receivable                                       | 61.17                       |
| Other Current Assets (Financial and Non-Financial)     | 16.68                       |
| <b>Total Assets (A)</b>                                | <b>982.58</b>               |
| Deferred Tax Liability                                 | 4.96                        |
| Derivative Liability                                   | 18.30                       |
| Trade Payables                                         | 71.39                       |
| Other Liabilities and Provision                        | 22.70                       |
| <b>Total Liabilities (B)</b>                           | <b>117.35</b>               |
| <b>Total Identifiable Net Assets acquired (A-B)</b>    | <b>865.23</b>               |
| Less: Purchase Consideration                           | 864.71                      |
| <b>(Goodwill)/Capital Reserve</b>                      | <b>0.52</b>                 |

The gross contractual amounts and fair value of trade and other receivable acquired ₹ 69.10 Crore. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

The above figures are provisional as the acquisition of rights to manage and operate Century Yarn was carried out in the last quarter of the current year, hence the fair valuation of assets and liabilities was pending for finalisation.

## Acquisition Related Costs

Acquisition related costs of ₹ 1.77 Crore (including Stamp Duty) have been recognised under Miscellaneous Expenses, and Rates and Taxes in the Statement of Profit and Loss.

## 4.12(a) Ind AS 115 Revenue from Contracts with Customers:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

# Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2018

Except for the disclosure requirements, the new standard will not materially impact the Company's financial statements. The amendment will come into force from 1st April, 2018.

## (b) Ind AS 21 – The effect of changes in Foreign Exchange Rates:

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

## 4.13 Other Income:

Other income for the financial year ended 31st March, 2018 includes reversal of earlier years' provision of ₹ 9.10 Crore related to contribution towards District Mineral Fund (DMF) under the Mines and Mineral (Development and Regulation) Amendment Act, 2015, on the basis of the Supreme Court Judgement dated 13th October, 2017.

**4.14** Previous year's figures have been regrouped/ reclassified to conform to current year's presentation.

**4.15** Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.

## Signatures to Notes '1' to '4'

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For **S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No: 324982E/E300003

**Sushil Agarwal**  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017

**Dilip Gaur**  
Managing Director  
DIN- 02071393

**Akeel Master**  
Partner  
Membership No.: 46768

**Vijay Maniar**  
Partner  
Membership No: 36738

**Hutokshi Wadia**  
Company Secretary  
Membership No.: 5761

**M. L. Apte**  
Independent Director  
DIN- 00003656

Mumbai  
Dated: 23rd May, 2018

Mumbai  
Dated: 23rd May, 2018



# Independent Auditor's Report

To the Members of Grasim Industries Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Grasim Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and its joint ventures, comprising of the Consolidated Balance Sheet as at 31 March, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("hereinafter referred to as the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and its joint ventures in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures referred below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Emphasis of Matter

- a. The auditors of Ultratech Cement Limited ('UTCL'), a subsidiary Company, without qualifying their opinion on the audited consolidated Ind AS financial statements of UTCL have drawn attention to:
  - (i) Note 4.5.3 to the Consolidated Ind AS Financial Statements which states that in terms of order dated 31 August, 2016, the Competition Commission of India ('CCI') has imposed penalty of Rs. 1,175.49 Crores for alleged contravention of the provisions of the Competition Act, 2002 by UTCL. UTCL has filed an appeal against CCI Order before the Competition Appellate Tribunal ('COMPAT'). COMPAT has granted stay on the CCI Order on the condition that UTCL deposits 10% of the penalty amounting to Rs. 117.56 Crores which has since been deposited. Consequent to reconstitution of Tribunals by the government, this matter was transferred to the National Company Law Appellate Tribunal ('NCLAT'). NCLAT has completed its hearing on the matter and order is awaited. Based on a legal opinion and considering the uncertainty relating to the outcome of this matter, no provision has been considered by UTCL in the books of accounts.
  - (ii) Note 4.5.3 to the Consolidated Ind AS Financial Statements which states that in terms of order dated 19 January, 2017, the CCI has imposed penalty of Rs. 68.30 Crores pursuant to a reference filed by the Government of Haryana for alleged contravention of the provisions of the Competition Act, 2002 in August 2012 by UTCL. UTCL had filed an appeal before COMPAT and received the stay order dated 10 April, 2017. Consequent to reconstitution of Tribunals by the government, this matter has now been transferred to the NCLAT. Based on a legal opinion and considering the uncertainty relating to the outcome of this matter, no provision has been considered by UTCL in the books of accounts.
- b. The auditors of Aditya Birla Capital Limited ('ABCL'), a subsidiary Company, without qualifying their opinion have drawn attention to Note 4.4.8 c to the Consolidated Ind AS Financial Statements clarifying that there are regulatory restrictions on transfer to Shareholders' Account of differences arising on the application of the recognition and measurement principles of Indian Accounting Standards to the Policyholders' (Other than Participating Policyholders') assets, liabilities, income and expenditure reported on statutory basis. Pending regulatory clarity in this regard, these differences have been included in the profit for the year ended 31 March, 2018 and within equity as of that date.
- c. The auditors of Idea Cellular Limited ('Idea'), an associate Company, without qualifying their opinion on the audited Consolidated Ind AS Financial Statements of Idea have drawn attention to Note 4.5.4 to the Consolidated Ind AS Financial Statements which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunication ('DOT') demand notices for one time spectrum charges.

Our opinion is not qualified in respect of above matters.

## Other Matters

- a. The auditors of ABCL, without qualifying their opinion on the audited Consolidated Ind AS Financial Statements of ABCL have stated that determination of the following as at and for the year ended 31 March, 2018 is the responsibility of the ABCL Groups' Appointed Actuaries ('the Appointed Actuaries'):
  - i. Change in Valuation of Liability in Respect of Insurance Policies" includes charge for actuarial valuation of liabilities for life policies in force and charge for the policies in respect of which premium has been discontinued but liability exists as at 31 March, 2018, in respect of one subsidiary and "Benefits Paid – Insurance Business"

includes the estimate of claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'), in respect of another subsidiary. These charges have been determined based on the liabilities duly certified by the subsidiaries' Appointed Actuaries' and in their respective opinions, the assumptions for such valuations are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with the IRDAI. The respective auditors of these subsidiaries have relied on the Appointed Actuaries' certificates in this regard in forming their opinion on the financial statements of the said subsidiaries.

- ii. Other adjustments for the purpose of Statement confirmed by the Appointed Actuaries' in accordance with Indian Accounting Standard 104 on Insurance Contracts:
  - a. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
  - b. Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts;
  - c. Grossing up and Classification of the Reinsurance Assets; and
  - d. Liability Adequacy test as at the reporting dates.

The auditors of ABCL have relied upon Appointed Actuaries' certificates in this regard for forming their opinion on the aforesaid mentioned items.

- b. We did not jointly audit the financial statements and other financial information, in respect of 6 subsidiaries whose financial statements include total assets of Rs 1,75,076.71 Crore as at 31 March, 2018, total revenues of Rs 41,258.48 Crore and net cash outflows of Rs. 160.08 Crore for the year ended on that date. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 841.07 Crore for the year ended 31 March, 2018, as considered in the consolidated Ind AS financial statements, in respect of 3 associates and 8 joint ventures. These financial statements and other financial information have not been jointly audited by us and have been audited either singly by one of us or jointly by one of us with other auditors or by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.
- c. Certain of these joint ventures and a subsidiary are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such entities located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.
- d. The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 2 subsidiaries whose financial statements and other financial information reflect total assets of Rs. 2.86 Crores as at 31 March, 2018, and total revenues of Rs. 82.91 Crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 0.92 Crores for the year ended 31 March, 2018, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial statements and other financial information have not been audited and whose unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of these subsidiaries and

joint venture, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information are not material to the Group. Our opinion is not qualified in respect of this matter.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate report in "Annexure A" to this report;
- (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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures – Refer Note 4.5 to the consolidated Ind AS financial statements;

- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 2.35.1 to the consolidated Ind AS financial statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended 31 March, 2018.
- iv. The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30 December, 2016 have not been made since the requirement does not pertain to financial year ended 31 March, 2018.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

**Akeel Master**  
Partner  
Membership No.: 46768  
Mumbai  
Dated: 23 May 2018

For **S R B C & CO LLP.**  
Chartered Accountants  
Firm's Registration No: 324982E/E300003

**Vijay Maniar**  
Partner  
Membership No: 36738  
Mumbai  
Dated: 23 May 2018



# Annexure – A

to the Independent Auditor's Report of even date on the Consolidated IND as Financial Statements of Grasim Industries Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of Grasim Industries Limited as of and for the year ended 31 March, 2018, we have audited the internal financial controls with reference to financial statements of Grasim Industries Limited (hereinafter referred to as the "Holding Company"), its subsidiary companies, its associate companies and its joint ventures, 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 its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 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 Holding Company's internal financial controls system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS 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 consolidated Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system with reference to financial reporting and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2018, based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Holding Company, insofar as it relates to these 6 subsidiary companies, 3 associate companies and 3 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

**Akeel Master**  
Partner  
Membership No.: 46768  
Mumbai  
Dated: 23 May 2018

For **S R B C & CO LLP.**  
Chartered Accountants  
Firm's Registration No: 324982E/E300003

**Vijay Maniar**  
Partner  
Membership No: 36738  
Mumbai  
Dated: 23 May 2018

# Consolidated Balance Sheet

as at 31st March, 2018

|                                                                    | Note No. | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|--------------------------------------------------------------------|----------|---------------------------|-------------------------------------------|
| <b>ASSETS</b>                                                      |          |                           |                                           |
| <b>Non-Current Assets</b>                                          |          |                           |                                           |
| Property, Plant and Equipment                                      | 2.1      | 45,434.02                 | 31,375.64                                 |
| Capital Work-in-Progress                                           | 2.1      | 2,256.90                  | 1,296.34                                  |
| Goodwill                                                           | 2.2      | 16,191.81                 | 2,994.39                                  |
| Other Intangible Assets                                            | 2.1      | 7,631.37                  | 416.16                                    |
| Intangible Assets Under Development                                | 2.1      | 33.12                     | 0.63                                      |
| <b>Financial Assets</b>                                            |          |                           |                                           |
| <b>Investments</b>                                                 |          |                           |                                           |
| - Equity Accounted Investees                                       | 2.3      | 13,867.53                 | 2,151.83                                  |
| - Investments of Insurance Business                                | 2.4      | 11,951.36                 | -                                         |
| - Other Investments                                                | 2.5      | 7,212.66                  | 5,049.96                                  |
| Assets held to cover linked liabilities of Life Insurance Business | 2.6      | 21,691.73                 | -                                         |
| Loans                                                              | 2.7      | 37,512.53                 | 198.99                                    |
| Other Financial Assets                                             | 2.8      | 64.22                     | 76.26                                     |
| Deferred Tax Assets (Net)                                          | 2.9      | 21.42                     | 20.44                                     |
| Non-Current Tax Assets (Net)                                       |          | 245.78                    | 136.62                                    |
| Other Non-Current Assets                                           | 2.10     | 3,503.90                  | 591.12                                    |
|                                                                    |          | 167,618.35                | 44,308.38                                 |
| <b>Current Assets</b>                                              |          |                           |                                           |
| Inventories                                                        | 2.11     | 5,860.36                  | 4,231.42                                  |
| <b>Financial Assets</b>                                            |          |                           |                                           |
| <b>Investments</b>                                                 |          |                           |                                           |
| - Equity Accounted Investees                                       | 2.12     | 65.15                     | 4.46                                      |
| - Investments of Insurance Business                                | 2.13     | 1,067.81                  | -                                         |
| - Other Investments                                                | 2.14     | 7,121.62                  | 6,994.13                                  |
| Assets held to cover linked liabilities of Life Insurance Business | 2.15     | 3,017.15                  | -                                         |
| Trade Receivables                                                  | 2.16     | 5,213.14                  | 3,009.56                                  |
| Cash and Cash Equivalents                                          | 2.17     | 949.64                    | 93.82                                     |
| Bank Balances other than Cash and Cash Equivalents                 | 2.18     | 365.25                    | 2,213.19                                  |
| Loans                                                              | 2.19     | 13,542.59                 | 181.34                                    |
| Other Financial Assets                                             | 2.20     | 1,050.30                  | 399.71                                    |
| Current Tax Assets (Net)                                           |          | 117.95                    | 30.90                                     |
| Other Current Assets                                               | 2.21     | 1,831.95                  | 1,292.95                                  |
| Assets Held for Disposal                                           |          | 45.94                     | 7.98                                      |
|                                                                    |          | 40,248.85                 | 18,459.46                                 |
| <b>TOTAL</b>                                                       |          | <b>207,867.20</b>         | <b>62,767.84</b>                          |

# Consolidated Balance Sheet

as at 31st March, 2018

|                                                                             |          |                        | (₹ in Crore)           |
|-----------------------------------------------------------------------------|----------|------------------------|------------------------|
|                                                                             | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
| <b>EQUITY AND LIABILITIES</b>                                               |          |                        |                        |
| <b>Equity</b>                                                               |          |                        |                        |
| Equity Share Capital                                                        | 2.22     | 131.48                 | 93.37                  |
| Other Equity                                                                | 2.23     | 57,230.37              | 31,293.71              |
| <b>Equity Attributable to Owners of the Company</b>                         |          | <b>57,361.85</b>       | <b>31,387.08</b>       |
| Non-Controlling Interest                                                    |          | 26,336.88              | 9,701.93               |
| <b>Total Equity</b>                                                         |          | <b>83,698.73</b>       | <b>41,089.01</b>       |
| <b>Liabilities</b>                                                          |          |                        |                        |
| <b>Non-Current Liabilities</b>                                              |          |                        |                        |
| Financial Liabilities                                                       |          |                        |                        |
| Borrowings                                                                  | 2.24     | 40,793.44              | 6,768.71               |
| Trade Payables                                                              | 2.25     | -                      | 8.70                   |
| Other Financial Liabilities                                                 | 2.26     | 194.54                 | 34.81                  |
|                                                                             |          | <b>40,987.98</b>       | <b>6,812.22</b>        |
| Provisions                                                                  | 2.27     | 416.94                 | 297.11                 |
| Deferred Tax Liabilities (Net)                                              | 2.28     | 5,617.75               | 3,538.82               |
| Policyholder's Liabilities                                                  | 2.29     | 34,795.16              | -                      |
| Other Non-Current Liabilities                                               | 2.30     | 58.71                  | 35.60                  |
| <b>Current Liabilities</b>                                                  |          |                        |                        |
| Financial Liabilities                                                       |          |                        |                        |
| Borrowings                                                                  | 2.31     | 20,519.95              | 1,157.85               |
| Trade Payables                                                              | 2.32     | 5,262.41               | 3,048.19               |
| Other Financial Liabilities                                                 | 2.33     | 9,076.00               | 2,650.95               |
|                                                                             |          | <b>34,858.36</b>       | <b>6,856.99</b>        |
| Other Current Liabilities                                                   | 2.34     | 4,203.50               | 3,006.56               |
| Provisions                                                                  | 2.35     | 901.20                 | 327.06                 |
| Policyholder's Liabilities                                                  | 2.36     | 1,578.19               | -                      |
| Current Tax Liabilities (Net)                                               |          | 750.68                 | 804.47                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                         |          | <b>207,867.20</b>      | <b>62,767.84</b>       |
| Significant Accounting Policies and Key Accounting Estimates and Judgements | 1        |                        |                        |
| The accompanying Notes are an integral part of the Financial Statements     |          |                        |                        |

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For **S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No: 324982E/E300003

**Sushil Agarwal**  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017

**Dilip Gaur**  
Managing Director  
DIN- 02071393

**Akeel Master**  
Partner  
Membership No.: 46768

**Vijay Maniar**  
Partner  
Membership No: 36738

**Hutokshi Wadia**  
Company Secretary  
Membership No.: 5761

**M. L. Apte**  
Independent Director  
DIN- 00003656

Mumbai  
Dated: 23rd May, 2018

Mumbai  
Dated: 23rd May, 2018

# Consolidated Statement of Profit & Loss

for the year ended 31st March, 2018

|                                                                                                                          | Note No.  | Year Ended<br>31st March, 2018<br>(Current Year) | (₹ in Crore)<br>Year Ended<br>31st March, 2017<br>(Previous Year) |
|--------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------|-------------------------------------------------------------------|
| <b>INCOME</b>                                                                                                            |           |                                                  |                                                                   |
| Revenue from Operations (Note 4.4.7)                                                                                     | 3.1 & 3.2 | 57,492.85                                        | 40,247.17                                                         |
| Re-insurance Ceded                                                                                                       |           | (154.65)                                         | -                                                                 |
| <b>Net Revenue from Operations</b>                                                                                       |           | <b>57,338.20</b>                                 | <b>40,247.17</b>                                                  |
| Other Income                                                                                                             | 3.3       | 990.23                                           | 947.76                                                            |
| <b>Total Income (I)</b>                                                                                                  |           | <b>58,328.43</b>                                 | <b>41,194.93</b>                                                  |
| <b>EXPENSES</b>                                                                                                          |           |                                                  |                                                                   |
| Cost of Materials Consumed                                                                                               | 3.4       | 11,635.37                                        | 8,688.85                                                          |
| Purchases of Stock-in-Trade                                                                                              | 3.5       | 1,060.23                                         | 624.41                                                            |
| Changes in Inventories of Finished Goods,<br>Work-in-Progress and Stock-in-Trade                                         | 3.6       | (84.95)                                          | 161.75                                                            |
| Employee Benefits Expenses                                                                                               | 3.7       | 3,992.41                                         | 2,265.59                                                          |
| Power and Fuel                                                                                                           |           | 8,631.29                                         | 5,795.41                                                          |
| Freight and Handling Expenses                                                                                            |           | 7,569.59                                         | 6,092.09                                                          |
| Excise Duty (Note 4.4.7)                                                                                                 |           | 1,140.17                                         | 4,178.77                                                          |
| Change in Valuation of Liability in respect of Insurance Policies                                                        |           | 357.22                                           | -                                                                 |
| Benefits Paid - Insurance Business                                                                                       |           | 3,429.59                                         | -                                                                 |
| Finance Cost relating to NBFC/HFC's Business                                                                             | 3.8       | 2,299.49                                         | -                                                                 |
| Other Finance Costs                                                                                                      | 3.9       | 1,359.13                                         | 702.40                                                            |
| Depreciation and Amortisation Expenses                                                                                   | 2.1.2     | 2,724.36                                         | 1,807.59                                                          |
| Other Expenses                                                                                                           | 3.10      | 7,461.82                                         | 5,076.99                                                          |
|                                                                                                                          |           | <b>51,575.72</b>                                 | <b>35,393.85</b>                                                  |
| Less: Captive Consumption of Cement                                                                                      |           | 44.89                                            | 21.82                                                             |
| <b>Total Expenses (II)</b>                                                                                               |           | <b>51,530.83</b>                                 | <b>35,372.03</b>                                                  |
| <b>Profit Before Share in Profit/(Loss) of Equity Accounted Investees,<br/>Exceptional Items and Tax</b>                 |           | <b>6,797.60</b>                                  | <b>5,822.90</b>                                                   |
| Share in Profit/(Loss) of Equity Accounted Investees                                                                     |           | (727.44)                                         | 129.41                                                            |
| <b>Profit Before Tax and Exceptional Items</b>                                                                           |           | <b>6,070.16</b>                                  | <b>5,952.31</b>                                                   |
| Exceptional Item                                                                                                         | 3.15      | (432.85)                                         | -                                                                 |
| <b>Profit Before Tax</b>                                                                                                 |           | <b>5,637.31</b>                                  | <b>5,952.31</b>                                                   |
| Tax Expense                                                                                                              | 3.11      |                                                  |                                                                   |
| Current Tax                                                                                                              |           | 1,831.69                                         | 1,354.39                                                          |
| Provision for Tax of Earlier Years Written Back                                                                          |           | (97.86)                                          | (8.40)                                                            |
| Deferred Tax                                                                                                             |           | 213.29                                           | 360.71                                                            |
| <b>Total Tax Expense</b>                                                                                                 |           | <b>1,947.12</b>                                  | <b>1,706.70</b>                                                   |
| <b>Profit for the period including profit of Life Insurance Business attributable to<br/>Participating Policyholders</b> |           | <b>3,690.19</b>                                  | <b>4,245.61</b>                                                   |
| Less : Profit attributable to participating policyholders of Life Insurance Business                                     |           | 2.57                                             | -                                                                 |
| <b>Profit for the Year (III)</b>                                                                                         |           | <b>3,687.62</b>                                  | <b>4,245.61</b>                                                   |



# Consolidated Statement of Profit & Loss

for the year ended 31st March, 2018

|                                                                                                                                     | Note No. | Year Ended<br>31st March, 2018<br>(Current Year) | (₹ in Crore)<br>Year Ended<br>31st March, 2017<br>(Previous Year) |
|-------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------|-------------------------------------------------------------------|
| <b>Other Comprehensive Income</b>                                                                                                   | 3.12     |                                                  |                                                                   |
| A (i) Items that will not be reclassified to Profit or Loss                                                                         |          | (147.64)                                         | 1,010.61                                                          |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss                                                   |          | (55.98)                                          | (18.39)                                                           |
| B (i) Items that will be reclassified to Profit or Loss                                                                             |          | (64.35)                                          | (28.89)                                                           |
| (ii) Income tax relating to items that will be reclassified to Profit or Loss                                                       |          | (10.73)                                          | 0.11                                                              |
| <b>Other Comprehensive Income before income attributable to participating policyholders of Life Insurance Business (Net of Tax)</b> |          | (278.70)                                         | 963.44                                                            |
| Less : Other Comprehensive Income attributable to participating policyholders of Life Insurance Business                            |          | (0.22)                                           | -                                                                 |
| <b>Other Comprehensive Income for the Year (IV)</b>                                                                                 |          | (278.48)                                         | 963.44                                                            |
| <b>Total Comprehensive Income for the Year (III + IV)</b>                                                                           |          | <b>3,409.14</b>                                  | <b>5,209.05</b>                                                   |
| <b>Profit Attributable to:</b>                                                                                                      |          |                                                  |                                                                   |
| Owners of the Company                                                                                                               |          | 2,678.58                                         | 3,167.30                                                          |
| Non-Controlling interest                                                                                                            |          | 1,009.04                                         | 1,078.31                                                          |
|                                                                                                                                     |          | <b>3,687.62</b>                                  | <b>4,245.61</b>                                                   |
| <b>Other Comprehensive Income Attributable to:</b>                                                                                  |          |                                                  |                                                                   |
| Owners of the Company                                                                                                               |          | (167.88)                                         | 951.48                                                            |
| Non-Controlling interest                                                                                                            |          | (110.60)                                         | 11.96                                                             |
|                                                                                                                                     |          | <b>(278.48)</b>                                  | <b>963.44</b>                                                     |
| <b>Total Comprehensive Income Attributable to:</b>                                                                                  |          |                                                  |                                                                   |
| Owners of the Company                                                                                                               |          | 2,510.70                                         | 4,118.78                                                          |
| Non-Controlling interest                                                                                                            |          | 898.44                                           | 1,090.27                                                          |
|                                                                                                                                     |          | <b>3,409.14</b>                                  | <b>5,209.05</b>                                                   |
| <b>Earnings Per Equity Share (Face Value ₹ 2 each)</b>                                                                              | 3.16     |                                                  |                                                                   |
| Basic ( ₹ )                                                                                                                         |          | 44.22                                            | 67.85                                                             |
| Diluted ( ₹ )                                                                                                                       |          | 44.17                                            | 67.77                                                             |
| Significant Accounting Policies and Key Accounting Estimates and Judgements                                                         | 1        |                                                  |                                                                   |
| The accompanying Notes are an integral part of the Financial Statements                                                             |          |                                                  |                                                                   |

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For **S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No: 324982E/E300003

**Sushil Agarwal**  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017

**Dilip Gaur**  
Managing Director  
DIN- 02071393

**Akeel Master**  
Partner  
Membership No.: 46768

**Vijay Maniar**  
Partner  
Membership No: 36738

**Hutokshi Wadia**  
Company Secretary  
Membership No.: 5761

**M. L. Apte**  
Independent Director  
DIN- 00003656

Mumbai  
Dated: 23rd May, 2018

Mumbai  
Dated: 23rd May, 2018

# Consolidated Cash Flow Statement

for the year ended 31st March, 2018

|                                                                                                                       | (₹ in Crore)      |                   |
|-----------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                                       | Current Year      | Previous Year     |
| <b>A. Cash Flow from Operating Activities</b>                                                                         |                   |                   |
| (a.) Profit Before Tax after Exceptional Items and before Share in Profit/(Loss) of Equity Accounted Investees        | 6,364.75          | 5,822.90          |
| Adjustments for:                                                                                                      |                   |                   |
| Exceptional Items (Note 3.15)                                                                                         | 432.85            | -                 |
| Depreciation and Amortisation                                                                                         | 2,724.36          | 1,807.59          |
| Finance Costs                                                                                                         | 1,359.13          | 702.40            |
| Interest Income                                                                                                       | (114.70)          | (175.17)          |
| Dividend Income                                                                                                       | (58.43)           | (27.15)           |
| Employee Stock Option Expenses                                                                                        | 78.71             | 10.79             |
| Loss Allowance (Net)                                                                                                  | 40.76             | 34.22             |
| Provision for Mines Restoration                                                                                       | 30.53             | -                 |
| Change in valuation of Liabilities in respect of Insurance Policies in force                                          | 357.22            | -                 |
| Advances including Contingency Provision for Standard Assets of NBFC and HFC's Business                               | 116.51            | -                 |
| Exchange Loss on Capital Reduction in a Joint Venture (Note 2.12.1)                                                   | -                 | 13.52             |
| Excess Provision Written Back (Net)                                                                                   | (136.88)          | (182.02)          |
| Fair Value Adjustments to Borrowings and Investments                                                                  | (71.38)           | -                 |
| Other Non-Cash Items                                                                                                  | (5.56)            | 15.49             |
| (Profit)/Loss on Sale of Property, Plant and Equipment (Net)                                                          | 17.79             | 1.47              |
| Profit on Sale of Investments (Net)                                                                                   | (255.77)          | (91.58)           |
| Profit on Sale of Investments routed through OCI                                                                      | 5.24              | -                 |
| Unrealised Gain on Investments measured at Fair Value through Profit and Loss (Net)                                   | (386.96)          | (495.83)          |
| Discounting of Sales Tax Deferment Loan                                                                               | (3.86)            | (178.2)           |
| Fair Value Movement in Derivative Instruments                                                                         | (3.07)            | 15.50             |
| (b.) Operating Profit Before Working Capital Changes                                                                  | 10,491.24         | 7,434.31          |
| Adjustments for:                                                                                                      |                   |                   |
| Trade Receivables                                                                                                     | (765.19)          | (29.22)           |
| Loans of Financing Business                                                                                           | (11,295.46)       | -                 |
| Financial and Other Assets                                                                                            | (667.09)          | (135.45)          |
| Inventories                                                                                                           | (751.26)          | (82.74)           |
| Trade Payables and Other Liabilities                                                                                  | 882.72            | 1,066.02          |
| Stock of Securities                                                                                                   | 660.08            | -                 |
| Investment of Life Insurance Policyholders                                                                            | (248.69)          | -                 |
| (c.) Cash (Used in)/Generated from Operations                                                                         | (1,693.65)        | 8,252.92          |
| Direct Taxes Paid (Net of Refund)                                                                                     | (1,699.57)        | (965.12)          |
| <b>Net Cash (used in)/from Operating Activities</b>                                                                   | <b>(3,393.22)</b> | <b>7,287.80</b>   |
| <b>B. Cash Flow from Investing Activities</b>                                                                         |                   |                   |
| Purchase of Property, Plant and Equipment (Note (iv) below)                                                           | (3,288.71)        | (1,839.58)        |
| Acquisition of Rights to Manage and Operate Century Rayon Business                                                    | (903.31)          | -                 |
| Proceeds from Disposal of Property, Plant and Equipment                                                               | 242.96            | 46.58             |
| Investments in Joint Ventures                                                                                         | (136.82)          | (0.51)            |
| Sale of Mutual Fund Units and Bonds (Non-Current)                                                                     | 5,719.46          | 2,160.30          |
| Purchase of Mutual Fund Units, Bonds and Certificate of Deposits (Current) (Net)                                      | (3,983.83)        | (3,817.53)        |
| Proceeds from Sale of Non-Current Equity Investments (Subsidiary)                                                     | 6.26              | -                 |
| Proceeds from (Purchase)/Sale of Investments and Shareholders' Investments of Life Insurance Business (Current) (Net) | (99.29)           | (246.81)          |
| Investment in Other Bank Deposits                                                                                     | 2,018.97          | (17.41)           |
| Proceeds from Capital Reduction in a Joint Venture                                                                    | -                 | 42.68             |
| Expenditure for Cost of Assets Transferred                                                                            | (143.13)          | (13.81)           |
| Loans and Advances given to Joint Ventures and Associates                                                             | (55.15)           | -                 |
| Receipt against Loans and Advances given to Joint Ventures and Associates                                             | 85.85             | 0.47              |
| Inter-Corporate Deposits                                                                                              | 16.29             | (13.50)           |
| Interest Received                                                                                                     | 115.60            | 166.74            |
| Dividend Received [include dividend from Associate and Joint Venture (₹ 104.92 Crore (PY ₹ 17.58 Crore))]             | 163.34            | 44.73             |
| <b>Net Cash Used in Investing Activities</b>                                                                          | <b>(241.51)</b>   | <b>(3,487.65)</b> |

# Consolidated Cash Flow Statement

for the year ended 31st March, 2018

|                                                                                               | Current Year    | Previous Year     |
|-----------------------------------------------------------------------------------------------|-----------------|-------------------|
| (₹ in Crore)                                                                                  |                 |                   |
| <b>C. Cash Flow from Financing Activities</b>                                                 |                 |                   |
| Proceeds from Issue of Share Capital                                                          | 85.98           | 9.25              |
| Share Issue Expenses                                                                          | (3.29)          | -                 |
| Proceeds from Non-Current Borrowings                                                          | 23,270.67       | 3,670.50          |
| Repayments of Non-Current Borrowings                                                          | (9,981.32)      | (4,116.34)        |
| Proceeds/(Repayments) of Current Borrowings (Net)                                             | 2,688.20        | (2,313.91)        |
| Repayment of Borrowings Transferred from JAL and JCCL, pursuant to the Scheme of Arrangement  | (10,686.55)     | -                 |
| Interest Paid                                                                                 | (1,345.03)      | (678.72)          |
| Dividend Paid (including Corporate Dividend Tax)                                              | (574.68)        | (369.34)          |
| <b>Net Cash From/(Used in) Financing Activities</b>                                           | <b>3,453.98</b> | <b>(3,798.56)</b> |
| <b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>                                | <b>(180.75)</b> | <b>1.59</b>       |
| <b>Cash and Cash Equivalents at the Beginning of the Year (Note 2.17)</b>                     | <b>93.82</b>    | <b>113.34</b>     |
| <b>Add:</b>                                                                                   |                 |                   |
| Effect of Exchange Rate on Consolidation of Foreign Subsidiaries                              | 4.19            | (21.11)           |
| Cash and Cash Equivalents acquired on merger of erstwhile ABNL (Note 4.12 A)                  | 1,032.61        | -                 |
| Cash and Cash Equivalents transferred on Divestment of Grasim Bhiwani Textiles Limited (GBTL) | (0.23)          | -                 |
| <b>Cash and Cash Equivalents at the End of the Year (Note 2.17)</b>                           | <b>949.64</b>   | <b>93.82</b>      |

## Notes:

- Cash Flow Statement has been prepared as per the indirect method set out in Ind AS 7, prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015, under the Companies Act, 2013.
- The Scheme of Merger of Aditya Birla Nuvo Limited (ABNL) with the Company implemented w.e.f. 1st July, 2017, did not involve any cash outflow as the Company issued equity shares of the Company to the Shareholders of the erstwhile ABNL in terms of the Scheme.
- The Scheme of Arrangement between Jaiprakash Associates Limited (JAL) and Jaypee Cement Corporation Limited (JCCL) and the UltraTech Cement Limited (UTCL) does not involve any cash outflow and the consideration has been discharged through issue of debentures and preference shares.
- Purchase of Property, Plant and Equipment includes movements of Capital Work-in-Progress (including Capital Advances) and Capital Expenditure Creditors during the year.
- Change in liabilities arising from Financing Activities

|                                                                                      |                              |           |                                       |                                                                                                    |                                                            | (₹ in Crore)                 |
|--------------------------------------------------------------------------------------|------------------------------|-----------|---------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------|
| Particulars                                                                          | As at<br>31st March,<br>2017 | Cashflows | Fair Value<br>and Other<br>Adjustment | Non-Cash Changes                                                                                   |                                                            | As at<br>31st March,<br>2018 |
|                                                                                      |                              |           |                                       | Others on account of                                                                               |                                                            |                              |
|                                                                                      |                              |           |                                       | Merger of ABNL and<br>Demerger of Financial<br>Services and acquisition of<br>JAL and JCCL by UTCL | Divestment<br>of GBTL and<br>inter- Company<br>elimination |                              |
| Non-Current Borrowing (including<br>current maturities of Non-Current<br>Borrowings) | 8,055.18                     | 3,100.35  | (154.25)                              | 35,613.79                                                                                          | (65.21)                                                    | 46,549.86                    |
| Current Borrowings                                                                   | 1,157.85                     | 2,190.65  | 0.20                                  | 17,196.56                                                                                          | (25.31)                                                    | 20,519.95                    |
|                                                                                      | 9,213.03                     | 5,291.00  | (154.05)                              | 52,719.83                                                                                          | (90.52)                                                    | 67,069.81                    |

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For **S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No: 324982E/E300003

**Sushil Agarwal**  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017

**Dilip Gaur**  
Managing Director  
DIN- 02071393

**Akeel Master**  
Partner  
Membership No.: 46768

**Vijay Maniar**  
Partner  
Membership No: 36738

**Hutokshi Wadia**  
Company Secretary  
Membership No.: 5761

**M. L. Apte**  
Independent Director  
DIN- 00003656

Mumbai  
Dated: 23rd May, 2018

Mumbai  
Dated: 23rd May, 2018

# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2018

## A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2018

(₹ in Crore)

| Balance as at<br>1st April, 2017 | Changes in Equity Share Capital during the<br>year (Note 2.22.4) | Balance as at<br>31st March, 2018 |
|----------------------------------|------------------------------------------------------------------|-----------------------------------|
| 93.37                            | 38.11                                                            | 131.48                            |

For the year ended 31st March, 2017

(₹ in Crore)

| Balance as at<br>1st April, 2016 | Changes in Equity Share Capital during the<br>year (Note 2.22.4) | Balance as at<br>31st March, 2017 |
|----------------------------------|------------------------------------------------------------------|-----------------------------------|
| 93.36                            | 0.01                                                             | 93.37                             |

## B. OTHER EQUITY

(₹ in Crore)

|                                                                                                                               | Attributable to Owners of the Company           |                      |               |                            |                 |                         |                      |                   |                                  |                                |                 |                                      |                                    |           | Non-Controlling Interest | Total Equity |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------|---------------|----------------------------|-----------------|-------------------------|----------------------|-------------------|----------------------------------|--------------------------------|-----------------|--------------------------------------|------------------------------------|-----------|--------------------------|--------------|
|                                                                                                                               | Equity Component of Other Financial Instruments | Reserves and Surplus |               |                            |                 |                         |                      |                   | Other Comprehensive Income (OCI) |                                |                 |                                      | Employee Share Options Outstanding | Total     |                          |              |
|                                                                                                                               |                                                 | Capital Reserve      | Legal Reserve | Securities Premium Reserve | General Reserve | Debt Redemption Reserve | Special Reserve Fund | Retained Earnings | Debt Instruments through OCI     | Equity Instruments through OCI | Hedging Reserve | Foreign Currency Translation Reserve |                                    |           |                          |              |
| Current Year                                                                                                                  |                                                 |                      |               |                            |                 |                         |                      |                   |                                  |                                |                 |                                      |                                    |           |                          |              |
| Opening Balance as at 1st April, 2017                                                                                         | 3.00                                            | 109.79               | 0.78          | 708.06                     | 24,608.30       | 151.56                  | 6.46                 | 3,299.75          | 8.49                             | 2,195.18                       | 39.01           | 121.60                               | 41.73                              | 31,293.71 | 9,701.93                 | 40,995.64    |
| Reserves on Merger of erstwhile ABNL as on 1st July, 2017 (Note 4.12 A)                                                       | -                                               | -                    | -             | -                          | -               | 123.33                  | -                    | -                 | -                                | -                              | (4.33)          | -                                    | 13.77                              | 132.77    | 5,152.18                 | 5,284.95     |
| Adjustment on Demerger of financial Services business as on 4th July, 2017                                                    |                                                 |                      |               |                            |                 |                         |                      |                   |                                  |                                |                 |                                      |                                    |           |                          |              |
| - Acquisition of additional stake in Aditya Birla Finance Limited (Subsidiary Company of Aditya Birla Capital Limited (ABCL)) | -                                               | -                    | -             | -                          | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | -         | (1,718.73)               | (1,718.73)   |
| - Dilution of stake in ABCL (Company's Subsidiary)                                                                            | -                                               | -                    | -             | -                          | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | -         | 12,335.32                | 12,335.32    |
| Capital Reserve arising on acquisition of Rights to Manage and Operate Century Rayon (Note 4.12 B)                            | -                                               | 0.52                 | -             | -                          | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | 0.52      | -                        | 0.52         |
| Profit for the Year                                                                                                           | -                                               | -                    | -             | -                          | -               | -                       | -                    | 2,678.58          | -                                | -                              | -               | -                                    | -                                  | 2,678.58  | 1,009.04                 | 3,687.62     |
| Other Comprehensive Income for the Year                                                                                       | -                                               | -                    | -             | -                          | -               | -                       | -                    | @15.78            | (44.49)                          | (206.82)                       | 18.05           | 49.60                                | -                                  | (167.88)  | (110.60)                 | (278.48)     |
| Total Comprehensive income for the Year                                                                                       | -                                               | -                    | -             | -                          | -               | -                       | -                    | 2,694.36          | (44.49)                          | (206.82)                       | 18.05           | 49.60                                | -                                  | 2,510.70  | 898.44                   | 3,409.14     |



# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2018

(₹ in Crore)

|                                                                                                                       | Attributable to Owners of the Company           |                      |               |                            |                 |                         |                      |                   |                                  |                                |                 |                                      |                                    |           |           | Non-Controlling Interest | Total Equity |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------|---------------|----------------------------|-----------------|-------------------------|----------------------|-------------------|----------------------------------|--------------------------------|-----------------|--------------------------------------|------------------------------------|-----------|-----------|--------------------------|--------------|
|                                                                                                                       | Equity Component of Other Financial Instruments | Reserves and Surplus |               |                            |                 |                         |                      |                   | Other Comprehensive Income (OCI) |                                |                 |                                      | Employee Share Options Outstanding | Total     |           |                          |              |
|                                                                                                                       |                                                 | Capital Reserve      | Legal Reserve | Securities Premium Reserve | General Reserve | Debt Redemption Reserve | Special Reserve Fund | Retained Earnings | Debt Instruments through OCI     | Equity Instruments through OCI | Hedging Reserve | Foreign Currency Translation Reserve |                                    |           |           |                          |              |
| Gain on sale of non-current investment transferred to Retained Earnings from Equity Instrument through OCI            | -                                               | -                    | -             | -                          | -               | -                       | -                    | 8.19              | -                                | (8.17)                         | -               | -                                    | -                                  | 0.02      | -         | 0.02                     |              |
| Stamp Duty payment on issue of equity shares to erstwhile ABNL shareholders, pursuant to the Scheme of Arrangement    | -                                               | -                    | -             | (0.14)                     | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | (0.14)    | -         | (0.14)                   |              |
| Issue of equity shares to erstwhile ABNL shareholders, pursuant to the Scheme of arrangement (Note 4.12 A)            | -                                               | -                    | -             | 23,619.28                  | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | 23,619.28 | -         | 23,619.28                |              |
| Capital Reserve arising on Business combination in Subsidiary Books [net of deferred tax ₹ 11.53 Crore] (Note 4.12 C) | -                                               | 17.02                | -             | -                          | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | 17.02     | 11.24     | 28.26                    |              |
| Transfer from Retained Earnings to General Reserve                                                                    | -                                               | -                    | -             | -                          | 1,963.36        | -                       | -                    | (1,963.36)        | -                                | -                              | -               | -                                    | -                                  | -         | -         | -                        |              |
| Transfer from Retained Earnings to Special Reserve Fund                                                               | -                                               | -                    | -             | -                          | -               | -                       | 74.39                | (74.39)           | -                                | -                              | -               | -                                    | -                                  | -         | -         | -                        |              |
| Transfer from Debt Redemption Reserve to General Reserve/Retained Earnings                                            | -                                               | -                    | -             | -                          | 75.00           | (112.63)                | -                    | 37.63             | -                                | -                              | -               | -                                    | -                                  | 0.00      | -         | 0.00                     |              |
| Transfer from Retained Earnings to Debt Redemption Reserve                                                            | -                                               | -                    | -             | -                          | -               | 111.31                  | -                    | (111.31)          | -                                | -                              | -               | -                                    | -                                  | -         | -         | -                        |              |
| Transfer from Retained Earnings to Legal Reserve                                                                      | -                                               | -                    | 0.32          | -                          | -               | -                       | -                    | (0.32)            | -                                | -                              | -               | -                                    | -                                  | -         | -         | -                        |              |
| Transfer to General Reserve on account of lapse of vested options                                                     | -                                               | -                    | -             | -                          | 0.73            | -                       | -                    | -                 | -                                | -                              | -               | -                                    | (0.89)                             | (0.16)    | 0.16      | -                        |              |
| Employee Stock Options exercised                                                                                      | -                                               | -                    | -             | 20.07                      | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | (14.02)                            | 6.05      | 12.17     | 18.22                    |              |
| Employee Stock Options granted (net of lapses)                                                                        | -                                               | -                    | -             | -                          | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | 84.00                              | 84.00     | -         | 84.00                    |              |
| Dividend (including Dividend Distribution Tax of ₹ 95.83 Crore) pertaining to FY 2016-17                              | -                                               | -                    | -             | -                          | -               | -                       | -                    | (435.07)          | -                                | -                              | -               | -                                    | -                                  | (435.07)  | (134.83)  | (569.90)                 |              |
| Issue of equity shares to Non-Controlling Interest                                                                    | -                                               | -                    | -             | -                          | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | -         | 65.15     | 65.15                    |              |
| Change in Non-Controlling Interest in the Books of Subsidiary                                                         | -                                               | -                    | -             | -                          | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | -         | 7.38      | 7.38                     |              |
| Movement during the year (stake dilution in Subsidiary Companies and movement in Joint Venture Companies)             | -                                               | -                    | -             | -                          | 1.80            | (0.06)                  | -                    | (0.07)            | -                                | -                              | -               | -                                    | -                                  | 1.67      | 6.47      | 8.14                     |              |
| Closing Balance as at 31st March, 2018                                                                                | 3.00                                            | 127.33               | 1.10          | 24,347.27                  | 26,649.19       | 273.51                  | 80.85                | 3,455.41          | (36.00)                          | 1,980.19                       | 52.73           | 171.20                               | 124.59                             | 57,230.37 | 26,336.88 | 83,567.25                |              |



# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2018

(₹ in Crore)

|                                                                                              | Attributable to Owners of the Company           |                                 |               |                            |                 |                         |                      |                   |                                  |                                |                 |                                      |                                    |           |          | Non-Controlling Interest | Total Equity |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------|---------------|----------------------------|-----------------|-------------------------|----------------------|-------------------|----------------------------------|--------------------------------|-----------------|--------------------------------------|------------------------------------|-----------|----------|--------------------------|--------------|
|                                                                                              | Equity Component of Other Financial Instruments | Reserves and Surplus            |               |                            |                 |                         |                      |                   | Other Comprehensive Income (OCI) |                                |                 |                                      | Employee Share Options Outstanding | Total     |          |                          |              |
|                                                                                              |                                                 | Capital Reserve Capital Subsidy | Legal Reserve | Securities Premium Reserve | General Reserve | Debt Redemption Reserve | Special Reserve Fund | Retained Earnings | Debt Instruments through OCI     | Equity Instruments through OCI | Hedging Reserve | Foreign Currency Translation Reserve |                                    |           |          |                          |              |
| Previous Year                                                                                |                                                 |                                 |               |                            |                 |                         |                      |                   |                                  |                                |                 |                                      |                                    |           |          |                          |              |
| Opening Balance as at 1st April, 2016                                                        | 2.19                                            | 109.78                          | 0.15          | 554.08                     | 22,910.93       | 205.38                  | 5.77                 | 2,110.09          | 3.64                             | 1,180.14                       | 10.48           | 200.75                               | 42.84                              | 27,336.22 | 8,728.82 | 36,065.04                |              |
| Profit for the Year                                                                          | -                                               | -                               | -             | -                          | -               | -                       | -                    | 3,167.30          | -                                | -                              | -               | -                                    | -                                  | 3,167.30  | 1,078.31 | 4,245.61                 |              |
| Other Comprehensive Income for the Year                                                      | -                                               | -                               | -             | -                          | -               | -                       | -                    | @(17.82)          | 4.85                             | 1,015.04                       | 28.53           | (79.12)                              | -                                  | 951.48    | 11.96    | 963.44                   |              |
| Total Comprehensive income for the year                                                      | -                                               | -                               | -             | -                          | -               | -                       | -                    | 3,149.48          | 4.85                             | 1,015.04                       | 28.53           | (79.12)                              | -                                  | 4,118.78  | 1,090.27 | 5,209.05                 |              |
| Dividend (including Dividend Distribution Tax of ₹ 61.07 Crore) pertaining to FY 2015-16     | -                                               | -                               | -             | -                          | -               | -                       | -                    | (253.20)          | -                                | -                              | -               | -                                    | -                                  | (253.20)  | (123.64) | (376.84)                 |              |
| Additional Non-Controlling Interest relating to outstanding share-based payment transactions | -                                               | -                               | -             | -                          | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | -         | 0.03     | 0.03                     |              |
| Change in Non-Controlling Interest in the Books of Subsidiary                                | -                                               | -                               | -             | -                          | -               | -                       | -                    | -                 | -                                | -                              | -               | -                                    | -                                  | -         | (4.35)   | (4.35)                   |              |
| Movement during the year                                                                     | 0.81                                            | 0.01                            | 0.63          | 153.98                     | 1,697.37        | (53.82)                 | 0.69                 | (1,706.62)        | -                                | -                              | -               | (0.03)                               | (1.11)                             | 91.91     | 10.80    | 102.71                   |              |
| Closing Balance as at 31st March, 2017                                                       | 3.00                                            | 109.79                          | 0.78          | 708.06                     | 24,608.30       | 151.56                  | 6.46                 | 3,299.75          | 8.49                             | 2,195.18                       | 39.01           | 121.60                               | 41.73                              | 31,293.71 | 9,701.93 | 40,995.64                |              |

@ Represents remeasurement of defined benefit plan.

Significant Accounting Policies and Key Accounting Estimates and Judgements- Refer Note 1

The accompanying Notes are an integral part of the Financial Statements

In terms of our report on even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For S R B C & CO LLP  
Chartered Accountants  
Firm Registration No: 324982E/E300003

Sushil Agarwal  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

Dilip Gaur  
Managing Director  
DIN- 02071393

Akeel Master  
Partner  
Membership No.: 46768

Vijay Maniar  
Partner  
Membership No: 36738

Hutokshi Wadia  
Company Secretary  
Membership No.: 5761

M. L. Apte  
Independent Director  
DIN- 00003656

Mumbai  
Dated: 23rd May, 2018

Mumbai  
Dated: 23rd May, 2018

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## CORPORATE INFORMATION

Grasim Industries Limited ("the Group" or "the Company") is a limited company incorporated and domiciled in India. The registered office is at Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India. 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.

The Group along with Subsidiaries, Joint Ventures and Associates is engaged primarily in Viscose (Pulp, Fibre and Yarn), Chemicals (Caustic Soda and allied Chemicals), Cement, Financial Services, Telecom Business and Others (Insulators, Textiles, Fertilisers and Solar Power Designing, Engineering, Procurement and Commissioning). The manufacturing plants of the Company, its Subsidiaries, Joint Ventures and Associates are located in India, Canada, Sweden, China, Middle East, Sri Lanka and Bangladesh.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Statement of Compliance:

These consolidated financial statements ("financial statements") are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under the section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Group at their meeting held on 23rd May, 2018.

### 1.2 Basis of Preparation:

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured at fair value:

- Derivative Financial Instruments measured at fair value (covered under para 1.23);
- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments (covered under para 1.24 and para 1.25);
- Assets held for sale - measured at the lower of its carrying amount and fair value less costs to sell;
- Employee's Defined Benefit Plan as per actuarial valuation; and
- Assets and liabilities acquired under Business Combination measured at fair value

### 1.3 Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates and all values are rounded to the nearest Crore, except otherwise indicated.

### 1.4 Principles of Consolidation:

#### Subsidiaries:

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an investee I, and only if, the Group has:

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

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- b. Exposure, or rights, to variable returns from its involvement with the investee, and
- c. The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group combines the financial statement of the Parent and its subsidiaries line by line adding together like items. Inter- Group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non- controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in OCI in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner, as would be required, if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

## Investment in Associates and Joint ventures

### Associate:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

### Joint Venture:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post- acquisition profits / losses of the investee in profit

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or loss, and the Group's share in other comprehensive income of the investee. Dividend received from associates and joint ventures are recognized as reduction in the carrying amount of the investments.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit/loss of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal, is recognised in profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate. Changes in investor's interest in other component of equity in such cases are being directly recognised in Equity.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistencies with the policies adopted by the Group.

## 1.5 Business Combination and Goodwill:

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.



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Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when, there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro - rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

## 1.6 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Group as its normal operating cycle.

## 1.7 Property, Plant and Equipment (PPE):

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property plant and equipment recognized as at 1st April, 2015 measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.



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If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses, are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss, arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

## 1.8 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

## 1.9 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life, and is provided on a straight-line basis, except for Viscose Staple Fibre Division (excluding Power Plants), Nagda, and Corporate Finance Division, Mumbai for which it is provided on written down value method, over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as per technical assessment.,

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group.

The Group has used the following useful lives of the property, plant and equipment to provide depreciation.

### A. Major assets class where useful life considered as provided in Schedule II:

| S. No | Nature of the Assets                                          | Estimated Useful Life of the Assets |
|-------|---------------------------------------------------------------|-------------------------------------|
| 1.    | Plant and Machinery - Continuous Process Plant                | 25 years                            |
| 2.    | Reactors                                                      | 20 years                            |
| 3.    | Vessel / Storage Tanks                                        | 20 years                            |
| 4.    | Factory Buildings                                             | 30 years                            |
| 5.    | Buildings (other than Factory Buildings) RCC Frame Structures | 60 years                            |
| 6.    | Electric Installations and Equipment (at Factory)             | 10 years                            |

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| S. No | Nature of the Assets                             | Estimated Useful Life of the Assets |
|-------|--------------------------------------------------|-------------------------------------|
| 7.    | Computer and other Hardwares                     | 3 years                             |
| 8.    | General Laboratory Equipment                     | 10 years                            |
| 9.    | Railway Sidings                                  | 15 years                            |
| 10.   | Carpeted Roads- Reinforced Cement Concrete (RCC) | 10 years                            |
|       | Carpeted Roads- other than RCC                   | 5 years                             |
|       | Non - Carpeted Roads                             | 3Years                              |
| 11.   | Fences, Wells, Tube Wells                        | 5Years                              |

In case of certain class of assets, the Group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those classes of assets. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset.

Also, useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed and depreciation has been provided accordingly.

## B. Assets where useful life differs from Schedule II:

| S. No. | Nature of the Assets                                                     | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 | Estimated Useful Life of the Assets       |
|--------|--------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------|
| 1.     | Plant & Machinery:                                                       |                                                                     |                                           |
| 1.1    | Other than Continuous Process Plant (Single Shift)                       | 15 years                                                            | 15 - 20 years                             |
| 1.2    | Other than Continuous Process Plant (Double Shift)                       | Additional 50% depreciation over single shift (10 years)            | 20 years                                  |
| 1.3    | Other than Continuous Process Plant (Triple Shift)                       | Additional 100% depreciation over single shift (7.5 years)          | 10 - 15 years                             |
| 2.     | Motor Vehicles                                                           | 6-10 years                                                          | 4 - 5 years                               |
| 3.     | Electrically Operated Vehicles                                           | 8 years                                                             | 5 years                                   |
| 4.     | Electronic Office Equipment                                              | 5 years                                                             | 3 - 7 years                               |
| 5.     | Furniture, Fixtures and Electrical Fittings                              | 10 years                                                            | 2 - 12 years                              |
| 6.     | Buildings (other than Factory Buildings) other than RCC Frame Structures | 30 years                                                            | 3 - 60 years                              |
| 7.     | Power Plants                                                             | 40 years                                                            | 25 years                                  |
| 8.     | Servers and Networks                                                     | 6 years                                                             | 3 - 5 years                               |
| 9.     | Spares in the nature of PPE                                              |                                                                     | 10 - 30 years                             |
| 10.    | Assets individually costing less than or equal to ₹ 10,000/-             |                                                                     | Fully depreciated in the year of purchase |
| 11.    | Separately identified Component of Plant and Machinery                   |                                                                     | 2 - 30 years                              |

## Leasehold Assets

|                              |                          |
|------------------------------|--------------------------|
| Leasehold Land and Buildings | Over the period of Lease |
|------------------------------|--------------------------|

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The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Continuous process 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.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and, in case of a new Project, from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis upto the month preceding the month of deduction/disposal.

## 1.10 Intangible Assets acquired separately and Amortisation:

On transition to Ind AS, the Group has elected to continue with the carrying value of all its Intangible Assets recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### Intangible Assets and their Useful Lives are as under:

| S. No | Nature of the Assets                             | Estimated Useful Life of the Assets                                                                         |
|-------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| 1.    | Computer Software(inclusive of Exclusive images) | 2-6 years                                                                                                   |
| 2.    | Trademarks, Technical Know-how                   | 5-10 years                                                                                                  |
| 3.    | Value of License/Right to use infrastructure     | 10 years                                                                                                    |
| 4.    | Mining Rights                                    | Over the period of the respective mining agreement                                                          |
| 5.    | Mining Reserve                                   | On the basis of material extraction<br>(proportion of material extracted per annum to total mining reserve) |

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| S. No | Nature of the Assets                                                                | Estimated Useful Life of the Assets                                                                                                          |
|-------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| 6.    | Jetty Rights                                                                        | Over the period of the relevant agreement such that the cumulative amortisation is not less than the cumulative rebate availed by the Group. |
| 7.    | Customer Relationship                                                               | 15-25 years                                                                                                                                  |
| 8.    | Brands                                                                              | 10 years                                                                                                                                     |
| 9.    | Production Formula                                                                  | 10 years                                                                                                                                     |
| 10.   | Distribution Network(inclusive of Branch/Franchise/Agency network and Relationship) | 6-25 years                                                                                                                                   |
| 11.   | Right to Manage and operate Manufacturing Facility                                  | 15 years                                                                                                                                     |
| 12.   | Value- in- Force                                                                    | 15 years                                                                                                                                     |
| 13.   | Group Management Rights                                                             | Indefinite                                                                                                                                   |
| 14.   | Investment Management Rights                                                        | Over the period of 10 years                                                                                                                  |
| 15.   | Order Backlog                                                                       | 3 months-1 year                                                                                                                              |
| 16.   | Non- Compete fees                                                                   | 3Years                                                                                                                                       |

## 1.11 Internally Generated Intangible Assets - Research and Development Expenditure:

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred. Development expenditure is capitalised as an asset, if the following conditions can be demonstrated:

- The technical feasibility of completing the asset so that it can be made available for use or sell.
- The Group has intention to complete the asset and use or sell it.
- The Group has the ability to sell the asset.
- The future economic benefits are probable.
- The Group has ability to measure the expenditure attributable to the asset during its development reliably.

Other development costs, which do not meet the above criteria, are expensed out during the period in which they are incurred.

PPE procured for research and development activities are capitalised.

## 1.12 Non-Current Assets Classified as Held for Disposal:

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell.

To classify any Asset as "Asset held for disposal" the asset must be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for disposal". Once classified as held for disposal, intangible assets and property, plant and equipment are no longer amortised or depreciated. The Management must be committed to the sale / distribution expected within one year from the date of classification.

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## 1.13 Mines Restoration Provisions:

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs, arising from restoration at closure of the mines and other site preparation work, are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The costs are reviewed periodically and are adjusted to reflect known developments, which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

## 1.14 Impairment of Non-Financial Assets:

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but, so that, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in the prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 1.15 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



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Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventory to the present location and condition.

Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity, and other costs incurred in bringing the inventories to their present location and condition. The cost is computed on weighted-average basis.

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.

Proceeds, in respect of sale of raw materials/stores, are credited to the respective heads.

## 1.16 Product Classification of Insurance Business

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders, if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, if the benefit payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit-linked products, or the benefit payable on death is higher by at least 5% of the premium at any time during the term of the contract for other than unit-linked products. Investment contracts are those contracts which are not Insurance Contracts.

## 1.17 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease, if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Finance Lease:

#### As a Lessee:

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

### Operating Lease:

#### As a Lessee:

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term, unless the lease agreements explicitly states that the increase is on account of inflation.

#### As a Lessor:

The Group has leased certain tangible assets, and such leases, where the Group has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term, unless the lease agreements explicitly states that the increase is on account of inflation.

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## 1.18 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash in hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

## 1.19 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

## 1.20 Employee Benefits:

### Short-term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

### Defined Contribution Plan:

Contribution payable to the recognised Provident Fund and approved Superannuation Scheme, which are substantially defined contribution plans, is recognised as expense in the statement of Profit and Loss, when employees have rendered the service entitling them to the contribution.

The provident fund contribution as specified under the law is paid to the Regional Provident Fund Commissioner.

### Defined Benefit Plan:

The obligation in respect of defined benefit plans, which covers Gratuity, Pension and other post-employment medical benefits, are provided for on the basis of an actuarial valuation at the end of each financial year, using project unit credit method. Gratuity is funded with an approved trust.

In respect of certain employees, Provident Fund contributions are made to a Trust, administered by the Group. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government, under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size, maintained by the Trust set-up by the Group, is additionally provided for. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in OCI in the period in which they occur.

Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be re-classified to profit or loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

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The Group presents the first two components of defined benefit costs in the statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

## Other Long-term Benefits:

Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

## 1.21 Employee Stock Options:

### Equity-settled transactions:

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black - Scholes Model.

The fair value determined at the grant date of the equity-settled share-based payments, is charged to profit and loss on the straight-line basis over the vesting period of the option, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

### Cash-settled Transactions:

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black Scholes Merton Formula. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date upto and, including the settlement date, with changes in fair value recognised in employee benefits expense.

## 1.22 Foreign Currency Transactions:

In preparing the financial statements of the Group, transactions in foreign currencies, other than the Group's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences relating to qualifying effective cash flow hedges and

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- Exchange difference arising on re-statement of long-term monetary items that in substance forms part of Group's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

## 1.23 Foreign Operations:

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupee at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI, is re-classified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary, but retains control, then the relevant proportion of the cumulative amount of foreign exchange differences is re-allocated to NCI. When the Group disposes of only a part of its interest in an Associate or a Joint Venture, while retaining significant influence or joint control, the relevant proportion of the cumulative amount of foreign exchange differences is re-classified to Statement of Profit and Loss.

## 1.24 Derivative Financial Instruments and Hedge Accounting:

The Group enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into, and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Group enters into derivative financial instruments, viz., foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Group does not hold derivative financial instruments for speculative purposes.

### Hedge Accounting:

The Group designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods, for which they were designated.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

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Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are re-classified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity, and is recognised when the forecast transaction is ultimately recognised in Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in Statement of Profit and Loss.

## 1.25 Fair Value Measurement:

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in level 1.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



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For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

## 1.26 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial Assets

#### *Initial Recognition and Measurement:*

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### *Subsequent measurement:*

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at Fair Value through Other Comprehensive Income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at Fair Value through Profit or Loss (FVTPL)
- Equity instruments measured at FVTOCI

### Debt Instruments at Amortised Cost:

A 'debt instrument' is measured at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 2.16.

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## Debt instrument at FVTOCI:

A 'debt instrument' is classified at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Group recognises interest income, impairment losses and reversals, and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Debt Instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

## Equity Investments

Investment in Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Group has accounted for its investments in Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Group has irrevocable option to present in OCI subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Group classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

## Impairment of Financial Assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balance.

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- b) Financial assets that are debt instruments, and are measured as at FVTOCI.
- c) Lease receivables under Ind AS 17.
- d) Loan commitments which are not measured as at FVTPL.
- e) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss allowance on trade receivables; and all lease receivables, resulting from transactions within the scope of Ind AS 17, the Group follows 'simplified approach'.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables, and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated, and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves, such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

1. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases, when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
2. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Loan commitments and financial guarantee contracts: ECL is presented as a provision in the Balance Sheet, i.e., as a liability.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared- credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## De-recognition of Financial Assets:

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI, and accumulated in equity is recognised in the Statement of Profit and Loss.

## • Financial Liabilities and Equity Instruments:

### Classification as Debt or Equity:

Debt and equity instruments, issued by the Group, are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

### Financial Liabilities:

Financial liabilities are classified, at initial recognition:

- at fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables are recognised net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

### Financial Liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the

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purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group, that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

## **Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

## **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the Group, are those contracts that require a payment to be made to reimburse the holder for a loss it incurs, because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per the impairment requirements of Ind AS 109, and the amount recognised less cumulative amortisation.

## **De-recognition of Financial Liabilities:**

The Group de-recognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

## **Embedded Derivatives:**

An embedded derivative is a component of a hybrid (combined) instrument, that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that would otherwise be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable, that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows, that would otherwise be required or a re-classification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate the embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts, and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.



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## Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 1.27 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

- (a) Sales are recognised on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract, and no uncertainty exists regarding the amount of consideration that will be derived from sales of goods. It is measured at fair value of the consideration received net of Goods and Service Tax (GST) w.e.f. 1st July, 2017, discounts and volume rebates. Fertiliser price support under Group Concession and other Scheme of Government of India is recognised based on the Management's estimate taking into account known policy parameters and input price escalation/de-escalation. Sales exclude self-consumption of finished goods.
- (b) Income from services is recognised (net of GST as applicable) as they are rendered, based on agreement/arrangement with the concerned customers.
- (c) If only one service is identified, the Group recognises revenue when the service is performed. If an ongoing service is identified, as a part of the agreement the period over which revenue is recognised for that service generally determined by the terms of agreement with the customers. For practical purposes, where services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight line basis over the specified period unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.
- (d) Dividend income is accounted for when the right to receive the income is established.
- (e) For all financial instruments measured at amortised cost or at fair value through Other Comprehensive Income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (f) Interest income for all financial instruments measured at fair value through other comprehensive income is recognized in the Statement of Profit and Loss.
- (g) Export incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

## For Life Insurance Business, revenue is recognised as follows:

### Premium Income of Insurance Business:

Premium income on Insurance contracts and Investment Contracts with Discretionary Participative Feature (DPF) is recognised as income when due from policyholders. For unit-linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. In case of linked business, top - up premium paid by policyholders are considered as single premium and are unitized as prescribed by the regulations. This premium is recognised when the associated units are created.

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## **Fees and Commission Income of Insurance Business:**

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods then they are deferred and recognised over those future periods.

## **Re-insurance Premium**

Reinsurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the re-insurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

## **1.28 BENEFITS PAID (INCLUDING CLAIMS):**

### **Claims and Benefits Paid**

Gross benefits and claims for life insurance contracts and for investment contracts with DPF include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses declared on DPF contracts as well as changes in the gross valuation of insurance and investment contract liabilities with DPF.

Death and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/Withdrawals under linked - policies are accounted in the respective schemes when the associated units are cancelled. Repudiated claims disputed before judicial authorities are provided for based on Management prudence considering the facts and evidences available, in respect of such claims."

### **Reinsurance Claims:**

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

## **1.29 Acquisition Costs:**

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts. Acquisition costs mainly consists of commission, medical costs, policy printing expenses, stamp duty and other related expenses. These costs are expensed in the year in which they are incurred. Claw-back of the first year commission paid, if any, in future is accounted in the year in which it is recovered.

## **1.30 Policy Liabilities:**

### **Insurance Contracts:**

The policy liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938, Regulations notified by the Insurance Regulatory and Development Authority of India, and Practice Standards prescribed by the Institute of Actuaries of India.

### **Investment Contracts:**

Liability in respect on Investment Contracts is recognised in accordance with IND AS, taking into account accepted actuarial practices.

## **1.31 Deferred Acquisition Cost (DAC)/Deferment Origination Fees (DOF):**

The Group has identified commission, rewards and recognition paid to its agents pertaining to 1st year as acquisition costs. Such acquisition costs are amortised over the period of the policy contract.

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The origination fees for Investment Contracts, being premium allocation charges pertaining to the 1st, 2nd and 3rd year have been deferred over the period of the policy contract.

Acquisition cost and Origination fees is deferred only for Investment Contracts.

## 1.32 Re-insurance Assets:

Reinsurance Asset, being net contractual rights receivable under re-insurance contract, has been recognised on the basis of Actuarial valuation.

## 1.33 Distribution Costs (Private Equity Fund):

Distribution costs incurred by the Group in respect of Private Equity - Fund I and the Aditya Birla Private - Sunrise Fund, have been accrued over the Commitment Period and the extended Commitment Period of the Fund I and the Sunrise Fund, respectively, as defined in the Fund's Private Placement Memorandum.

## 1.34 Borrowing Costs:

Borrowing cost includes interest expense, amortisation of discounts, hedge - related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

## 1.35 Government Grants and Subsidies:

Government grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised when they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates, and is being recognised in the Statement of Profit and Loss.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

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## 1.36 Provision for Current and Deferred Tax:

### Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax, relating to items recognised outside profit or loss, is recognised outside profit or loss (either in Other Comprehensive Income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

### Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted at the reporting date.

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Deferred tax, relating to items recognised outside profit or loss, is recognised outside profit or loss (either in Other Comprehensive Income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI / capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

## 1.37 Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Group will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented with Deferred Tax Asset.

## 1.38 Provisions and Contingent Liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to the net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset, and is recognised.

### Warranty Provisions:

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.



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## 1.39 Segment Reporting:

- **Identification of Segments:**

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

- **Segment Policies:**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments, which is primarily market based.

Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

## 1.40 Goodwill on Consolidation:

Goodwill represents the difference between the Group's share in the net worth of Subsidiaries and Joint Ventures and the cost of acquisition at each point of time of making the investment in the Subsidiaries and Joint Ventures. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

Goodwill that arises out of consolidation is tested for impairment at each reporting date. For the purpose of impairment testing, goodwill is allocated to the respective cash generating unit ('CGU'). The impairment loss is recognised if the recoverable amount of the CGU is higher of its value in use and fair value less cost to sell. Impairment losses are immediately recognized in the Statement of Profit and Loss.

## 1.41 Earnings Per Share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.42 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity, with the Ind AS requires the judgments, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures

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relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

## (a) Judgements:

In the process of applying the Group's accounting policies, the Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

### **Classification of Aditya Birla Renewable Limited, Aditya Birla Solar Limited and Idea Payments Bank Limited as Joint Venture/Associate**

The Group holds more than half of the equity shareholding in the following entities. However, as per the shareholders' agreement / statute, the Group needs to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence the same are being accounted as per equity method of accounting.

- a) Aditya Birla Renewable Limited
- b) Aditya Birla Solar Limited
- c) Idea Payments Bank Limited

### **Classification of Aditya Birla Sun Life AMC Limited, Aditya Birla Sun Life Trustee Company Private Limited and Aditya Birla Wellness Limited as Joint Ventures**

Aditya Birla Capital Limited, a subsidiary of the Company holds either directly or through its subsidiaries, more than half of the equity shareholding in the following entities. However, as per the shareholders' agreement / statute, the Group needs to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence, the same are being accounted as per equity method of accounting

- a) Aditya Birla Sun Life AMC Limited
- b) Aditya Birla Sun Life Trustee Company Private Limited
- c) Aditya Birla Wellness Limited.

### **Classification of Madanpur (North) Coal Company Limited as Investment in an Associate:**

A Joint Venture Company (JV), "Madanpur (North) Coal Company Limited", was formed by allocatees of Madanpur North Coal Block. As per Ind AS 111, when all the parties or a group of parties considered collectively are able to direct the activities that significantly affect the returns of the arrangement (i.e. the relevant activities), the parties control the arrangement collectively. Also, joint control exists only when decisions about the relevant activities require the unanimous consent of all the parties. In terms of the JV agreement between the parties, each JV partner has the right to nominate one director on the Board of the Joint Venture Company and major decisions shall be taken by a majority of 75% of the directors present. Since there is no unanimous consent required from the parties, in the judgement of the Management the Company does not have joint control over the JV. However, considering the Company's representation in the Board and the extent of its ability to exercise the influence over the decision over the relevant activities, the JV has been considered as an associate and accounted under the equity method.

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## **Non - Classification of Awam Minerals LLC, Oman (AWAM) as an Associate:**

During the year, UltraTech Cement Middle East Investments Limited ("UCMEIL"), the Company's wholly-owned subsidiary in UAE, which held 51% equity in AWAM, transferred 14% of its holding in AWAM. Consequent to dilution of its stake and as per terms of the restructuring agreement, UCMEIL ceased to have the Management control as well as does not have any power to participate in financial and operating policy decision of AWAM. AWAM, thus, ceased to be a subsidiary as well as an associate of UCMEIL.

## **(b) Estimates and Assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- **Useful Lives of Property, Plant and Equipment:**

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the Management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Mines Restoration Obligation:** In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

- **Measurement of Defined Benefit Obligation:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of Deferred Tax Assets:**

Availability of future taxable future profit against which the tax losses carried forward can be used.

- **Recognition and Measurement of Provisions and Contingencies:**

Key assumptions about the likelihood and magnitude of an outflow of resources.

- **Fair Value Measurement of Financial Instruments:**

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Share-based Payments:**

The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-

# Notes

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based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.4.10.

- **Business Combination:**

- (i) **Fair Valuation of Intangible Assets:**

The Company has used income approach (example relief from royalty, multi - period excess earnings method and incremental cash flows, etc.) for value analysis of intangible assets. The method estimates the value of future cash flows over the life of the Intangible assets accruing to the Company, by virtue of the transaction. The resulting tax adjusted cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') adjusted for risk of achieving the intangible assets projected savings.

- (ii) **Fair Valuation of Tangibles:**

**Freehold land:** Freehold land is fair valued using the sales comparison method using prevailing rates of similar plots of land, circle rates provided by relevant regulatory authorities and other acceptable valuation techniques.

**Leasehold Land:** Leasehold land is valued basis the leasehold interest for the remaining duration of the lease.

**Other Assets:** The cost approach has been adopted for fair valuing all the assets.

The cost approach has been adopted for fair valuing all the assets, The cost approach includes calculation of replacement cost using price trends applied to historical cost and capitalisation of all the indirect cost, these trends are on the basis of price indices obtained from recognised sources.

- (iii) **Fair Valuation of Loans:**

The fair value of loans given/borrowed has been estimated by considering the cash flows, future credit losses and the rate of prepayments for each loan. Projected annual cash flows were then discounted to the present value based on a market rate for similar loans.

The allowance for loan losses, associated with the acquired loans, were evaluated by the management and recorded.

- (iv) **Fair Valuation of Current Assets and Liabilities:**

The Current Assets and Liabilities are taken at fair value on the date of acquisition.

## 1.43 Cash Dividend to Equity Holders of the Group:

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.



## Notes

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(₹ in Crore)

## 2.1 PROPERTY, PLANT AND EQUIPMENT (PPE) AND OTHER INTANGIBLE ASSETS

|                                                            | Gross Block           |                                                |                                                            |                                                                       |                 |                                   |                                                                       |               | Depreciation/Amortisation |                       |                 |                                   |                                     |              |              | Net Block              |                        |
|------------------------------------------------------------|-----------------------|------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------|-----------------|-----------------------------------|-----------------------------------------------------------------------|---------------|---------------------------|-----------------------|-----------------|-----------------------------------|-------------------------------------|--------------|--------------|------------------------|------------------------|
|                                                            | As at 1st April, 2017 | Additions on Merger of ABNL (refer Note 4.12A) | Addition on Acquisition of JAL and JCCL (refer Note 4.12C) | Addition on Acquisition of Rights in Century Rayon (refer Note 4.12B) | Additions       | Translation Difference Add/(Less) | Divestment of Grasim Bhiwani Textiles Limited (GBTL) [Note 3.15(iii)] | Deductions    | As at 31st March 2018     | As at 1st April, 2017 | For the Year    | Translation Difference Add/(Less) | Divestment of GBTL [Note 3.15(iii)] | Impairment   | Deductions   | As at 31st March, 2018 | As at 31st March, 2018 |
| Current Year ended 31st March, 2018                        |                       |                                                |                                                            |                                                                       |                 |                                   |                                                                       |               |                           |                       |                 |                                   |                                     |              |              |                        |                        |
| <b>TANGIBLE ASSETS *</b>                                   |                       |                                                |                                                            |                                                                       |                 |                                   |                                                                       |               |                           |                       |                 |                                   |                                     |              |              |                        |                        |
| Freehold Land                                              | 3,734.44              | 628.01                                         | 1,795.74                                                   | -                                                                     | 141.30          | (0.15)                            | 0.16                                                                  | 54.32         | <b>6,244.86</b>           | -                     | -               | -                                 | -                                   | -            | -            | -                      | <b>6,244.86</b>        |
| Leasehold Land#                                            | 387.93                | 251.50                                         | 656.08                                                     | -                                                                     | 51.80           | (0.03)                            | -                                                                     | 6.13          | <b>1,341.15</b>           | 28.84                 | 32.54           | (0.02)                            | -                                   | -            | 2.98         | <b>58.38</b>           | <b>1,282.77</b>        |
| Leasehold Improvements                                     | 1.89                  | 10.58                                          | -                                                          | -                                                                     | 8.88            | -                                 | -                                                                     | 0.39          | <b>20.96</b>              | 0.72                  | 4.95            | -                                 | -                                   | -            | 0.39         | <b>5.28</b>            | <b>15.68</b>           |
| Buildings-own                                              | 3,792.04              | 411.05                                         | 1,388.03                                                   | -                                                                     | 306.55          | 0.01                              | 13.78                                                                 | 23.44         | <b>5,860.46</b>           | 397.99                | 221.36          | -                                 | 1.24                                | -            | 4.48         | <b>613.63</b>          | <b>5,246.83</b>        |
| Leasehold Buildings                                        | -                     | 17.55                                          | -                                                          | -                                                                     | -               | -                                 | -                                                                     | -             | <b>17.55</b>              | -                     | 0.26            | -                                 | -                                   | -            | -            | <b>0.26</b>            | <b>17.29</b>           |
| Plant and Equipment                                        |                       |                                                |                                                            |                                                                       |                 |                                   |                                                                       |               |                           |                       |                 |                                   |                                     |              |              |                        |                        |
| Own                                                        | 26,212.58             | 1,402.58                                       | 7,747.57                                                   | -                                                                     | 1,503.86        | 2.43                              | 84.05                                                                 | *194.48       | <b>36,590.51</b>          | 3,087.49              | 1,940.00        | 0.50                              | 22.44                               | 30.43        | 32.25        | <b>5,003.73</b>        | <b>31,586.8</b>        |
| Given on Lease                                             | 143.43                | -                                              | -                                                          | -                                                                     | -               | -                                 | -                                                                     | 1.05          | <b>142.38</b>             | 28.83                 | 8.56            | -                                 | -                                   | -            | -            | <b>37.39</b>           | <b>104.99</b>          |
| Furniture and Fixtures                                     | 102.74                | 12.77                                          | 2.19                                                       | -                                                                     | 28.72           | -                                 | 1.08                                                                  | 1.44          | <b>143.90</b>             | 43.54                 | 25.17           | 0.01                              | 0.53                                | -            | 1.42         | <b>66.77</b>           | <b>77.13</b>           |
| Vehicles                                                   | 159.39                | 21.20                                          | 13.19                                                      | -                                                                     | 50.56           | (0.06)                            | 0.62                                                                  | 11.12         | <b>232.55</b>             | 52.45                 | 43.16           | (0.02)                            | 0.31                                | -            | 5.15         | <b>90.13</b>           | <b>142.42</b>          |
| Office Equipment                                           | 169.57                | 33.15                                          | 6.25                                                       | -                                                                     | 68.04           | (0.03)                            | 0.99                                                                  | 4.28          | <b>271.71</b>             | 80.57                 | 44.44           | (0.02)                            | 0.64                                | -            | 3.39         | <b>120.96</b>          | <b>150.75</b>          |
| Salt Pans, Reservoir and Condensers                        | 7.41                  | -                                              | -                                                          | -                                                                     | -               | -                                 | -                                                                     | -             | <b>7.41</b>               | 7.04                  | -               | -                                 | -                                   | -            | -            | <b>7.04</b>            | <b>0.37</b>            |
| Railway Sidings                                            | 459.81                | 0.29                                           | 80.64                                                      | -                                                                     | 131.80          | -                                 | -                                                                     | -             | <b>672.54</b>             | 68.12                 | 40.27           | -                                 | -                                   | -            | -            | <b>108.39</b>          | <b>564.15</b>          |
| <b>Total Tangible Assets</b>                               | <b>35,171.23</b>      | <b>2,788.68</b>                                | <b>11,689.69</b>                                           | -                                                                     | <b>2,291.51</b> | <b>2.17</b>                       | <b>100.67</b>                                                         | <b>296.63</b> | <b>51,545.98</b>          | <b>3,795.59</b>       | <b>2,360.71</b> | <b>0.45</b>                       | <b>25.16</b>                        | <b>30.43</b> | <b>50.06</b> | <b>6,111.96</b>        | <b>45,434.02</b>       |
| <b>INTANGIBLE ASSETS (other than internally generated)</b> |                       |                                                |                                                            |                                                                       |                 |                                   |                                                                       |               |                           |                       |                 |                                   |                                     |              |              |                        |                        |
| Computer Softwares <sup>A</sup>                            | 59.94                 | 83.75                                          | 0.01                                                       | -                                                                     | 83.80           | -                                 | 0.33                                                                  | 0.56          | <b>226.61</b>             | 39.13                 | 53.58           | -                                 | 0.09                                | -            | 0.54         | <b>92.08</b>           | <b>134.53</b>          |
| Value of Licence/ Right to use Infrastructure              | 36.11                 | -                                              | -                                                          | -                                                                     | 26.88           | -                                 | -                                                                     | -             | <b>62.99</b>              | 13.44                 | 6.01            | -                                 | -                                   | -            | -            | <b>19.45</b>           | <b>43.54</b>           |
| Power Line Rights                                          | 60.85                 | -                                              | -                                                          | -                                                                     | 0.03            | 0.19                              | -                                                                     | 0.01          | <b>61.06</b>              | 8.29                  | 4.08            | 0.01                              | -                                   | -            | 0.01         | <b>12.37</b>           | <b>48.69</b>           |



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|                                                                   |                             |                                                            |                                                                        |                                                                                         |                 |                                         |                                                                                           |                 |                                |                             |                 |                                             |                                             |                 |                 | (₹ in Crore)                    |                                 |
|-------------------------------------------------------------------|-----------------------------|------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------|-----------------------------------------|-------------------------------------------------------------------------------------------|-----------------|--------------------------------|-----------------------------|-----------------|---------------------------------------------|---------------------------------------------|-----------------|-----------------|---------------------------------|---------------------------------|
| Gross Block                                                       |                             |                                                            |                                                                        |                                                                                         |                 |                                         |                                                                                           |                 |                                | Depreciation/Amortisation   |                 |                                             |                                             |                 |                 | Net Block                       |                                 |
|                                                                   | As at<br>1st April,<br>2017 | Additions<br>on Merger<br>of ABNL<br>(refer Note<br>4.12A) | Addition on<br>Acquisition<br>of JAL and<br>JCCL (refer<br>Note 4.12C) | Addition on<br>Acquisition<br>of Rights<br>in Century<br>Rayon<br>(refer Note<br>4.12B) | Additions       | Translation<br>Difference<br>Add/(Less) | Divestment<br>of Grasim<br>Bhiwani<br>Textiles<br>Limited<br>(GBTL)<br>[Note<br>3.15(ii)] | Deduc-<br>tions | As at<br>31st<br>March<br>2018 | As at<br>1st April,<br>2017 | For the<br>Year | Translation<br>Difference<br>Add/<br>(Less) | Divestment<br>of GBTL<br>[Note<br>3.15(ii)] | Impair-<br>ment | Deduc-<br>tions | As at<br>31st<br>March,<br>2018 | As at<br>31st<br>March,<br>2018 |
| Rights to<br>Manage<br>and Operate<br>manufacturing<br>Facilities | -                           | -                                                          | -                                                                      | 661.50                                                                                  | -               | -                                       | -                                                                                         | -               | 661.50                         | -                           | 7.35            | -                                           | -                                           | -               | -               | 7.35                            | 654.15                          |
| Group<br>Management<br>Rights                                     | -                           | 197.70                                                     | -                                                                      | -                                                                                       | -               | -                                       | -                                                                                         | -               | 197.70                         | -                           | -               | -                                           | -                                           | -               | -               | -                               | 197.70                          |
| Customer<br>Relationship                                          | -                           | 293.60                                                     | -                                                                      | 76.30                                                                                   | -               | -                                       | -                                                                                         | -               | 369.90                         | -                           | 9.64            | -                                           | -                                           | -               | -               | 9.64                            | 360.26                          |
| Production<br>Formula                                             | -                           | 19.00                                                      | -                                                                      | -                                                                                       | -               | -                                       | -                                                                                         | -               | 19.00                          | -                           | 1.43            | -                                           | -                                           | -               | -               | 1.43                            | 17.57                           |
| Distribution<br>Network                                           | -                           | 1,562.90                                                   | -                                                                      | -                                                                                       | -               | -                                       | -                                                                                         | -               | 1,562.90                       | -                           | 85.40           | -                                           | -                                           | -               | -               | 85.40                           | 1,477.50                        |
| Value in Force                                                    | -                           | 1,649.00                                                   | -                                                                      | -                                                                                       | -               | -                                       | -                                                                                         | -               | 1,649.00                       | -                           | 82.45           | -                                           | -                                           | -               | -               | 82.45                           | 1,566.55                        |
| Order Back Log                                                    | -                           | 7.50                                                       | -                                                                      | 9.20                                                                                    | -               | -                                       | -                                                                                         | -               | 16.70                          | -                           | 9.03            | -                                           | -                                           | -               | -               | 9.03                            | 7.67                            |
| Technical<br>Know-how                                             | 2.88                        | -                                                          | -                                                                      | -                                                                                       | -               | -                                       | -                                                                                         | -               | 2.88                           | 1.35                        | 0.42            | -                                           | -                                           | -               | -               | 1.77                            | 1.11                            |
| Trade Mark                                                        | 0.07                        | 130.10                                                     | -                                                                      | -                                                                                       | 0.06            | -                                       | -                                                                                         | -               | 130.23                         | 0.01                        | 10.53           | -                                           | -                                           | -               | -               | 10.54                           | 119.69                          |
| Mining Rights                                                     | 164.18                      | -                                                          | -                                                                      | -                                                                                       | 8.22            | -                                       | -                                                                                         | 10.58           | 161.82                         | 9.59                        | 4.76            | -                                           | -                                           | -               | 1.75            | 12.60                           | 149.22                          |
| Non-Compete                                                       | -                           | -                                                          | -                                                                      | 21.50                                                                                   | -               | -                                       | -                                                                                         | -               | 21.50                          | -                           | 1.19            | -                                           | -                                           | -               | -               | 1.19                            | 20.31                           |
| Mining Reserves                                                   | -                           | -                                                          | 2,715.87                                                               | -                                                                                       | -               | -                                       | -                                                                                         | -               | 2,715.87                       | -                           | 39.07           | -                                           | -                                           | -               | -               | 39.07                           | 2,676.80                        |
| Jetty Rights                                                      | 182.85                      | -                                                          | -                                                                      | -                                                                                       | -               | -                                       | -                                                                                         | -               | 182.85                         | 18.91                       | 7.86            | -                                           | -                                           | -               | -               | 26.77                           | 156.08                          |
| <b>Total Intangible<br/>Assets</b>                                | <b>506.88</b>               | <b>3,943.55</b>                                            | <b>2,715.88</b>                                                        | <b>768.50</b>                                                                           | <b>118.99</b>   | <b>0.19</b>                             | <b>0.33</b>                                                                               | <b>11.15</b>    | <b>8,042.51</b>                | <b>90.72</b>                | <b>322.80</b>   | <b>0.01</b>                                 | <b>0.09</b>                                 | <b>-</b>        | <b>2.30</b>     | <b>411.14</b>                   | <b>7,631.37</b>                 |
|                                                                   | <b>35,678.11</b>            | <b>6,732.23</b>                                            | <b>14,405.57</b>                                                       | <b>768.50</b>                                                                           | <b>2,410.50</b> | <b>2.36</b>                             | <b>101.00</b>                                                                             | <b>307.78</b>   | <b>59,588.49</b>               | <b>3,886.31</b>             | <b>2,683.51</b> | <b>0.46</b>                                 | <b>25.25</b>                                | <b>30.43</b>    | <b>52.36</b>    | <b>6,523.10</b>                 | <b>53,065.39</b>                |
| Capital Work-in-Progress (including Pre-Operative Expenses)       |                             |                                                            |                                                                        |                                                                                         |                 |                                         |                                                                                           |                 |                                |                             |                 |                                             |                                             |                 |                 |                                 | <b>2,256.90</b>                 |
| Intangible Assets under Development                               |                             |                                                            |                                                                        |                                                                                         |                 |                                         |                                                                                           |                 |                                |                             |                 |                                             |                                             |                 |                 |                                 | <b>33.12</b>                    |
| Total PPE                                                         |                             |                                                            |                                                                        |                                                                                         |                 |                                         |                                                                                           |                 |                                |                             |                 |                                             |                                             |                 |                 |                                 | <b>55,355.41</b>                |

@ Includes impairment provision for ₹ 74.86 Crore disclosed as exceptional item.

\* Net Block of tangible assets amounting to ₹ 18,136.23 Crore are pledged as security against the secured borrowings.

# The Leasehold Land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.

^ Includes exclusive images

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

[illegible]

#The Leasehold Land classified as Finance Lease, is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## Notes:

|       |                                                                                                                                                                                                                                                               | (₹ in Crore)              |                           |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|       |                                                                                                                                                                                                                                                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| 2.1.1 | The title of immovable assets are in the process of being transferred in the name of the Company (Net Block)                                                                                                                                                  | 3924.23                   | 883.34                    |
| 2.1.2 | Depreciation and Amortisation for the year:                                                                                                                                                                                                                   | 2,683.51                  | 1,769.03                  |
|       | Add: Obsolescence (including impairment of ₹ 27.39 Crore (Previous Year ₹ 20.05 Crore) towards Assets classified as Held for Disposal                                                                                                                         | 42.93                     | 39.01                     |
|       | Add: Impairment of Goodwill on Consolidation                                                                                                                                                                                                                  | -                         | 1.64                      |
|       | Less: Depreciation Transferred to Pre-Operative Expenses                                                                                                                                                                                                      | 2.08                      | 2.09                      |
|       | Depreciation and Amortisation as per the Statement of Profit and Loss                                                                                                                                                                                         | 2,724.36                  | 1,807.59                  |
| 2.1.3 | Property, Plant and Equipment includes assets not owned by Subsidiary Companies (Gross Block)                                                                                                                                                                 | 447.86                    | 364.29                    |
| 2.1.4 | Property, Plant and Equipment includes assets held on Co-ownership with other Companies (Gross Block)                                                                                                                                                         | 227.91                    | 116.84                    |
| 2.1.5 | Buildings include:                                                                                                                                                                                                                                            |                           |                           |
|       | - Cost of Debentures and Shares in a Company entitling the right of exclusive occupancy and use of certain premises                                                                                                                                           | 34.89                     | 18.88                     |
|       | - Workers' quarters mortgaged with state governments against subsidies received                                                                                                                                                                               | 0.26                      | 0.01                      |
| 2.1.6 | Details of Property Plant and Equipment capitalised under Finance Lease: Lease Assets are pledged as security for the related finance lease liabilities Plant and Equipment include Gross Block ₹ 0.74 Crore and Net Block ₹ 0.03 Crore (Previous Year ₹ Nil) |                           |                           |
| 2.1.7 | Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:                                                                                                                                                                               |                           |                           |
|       | Expenditure incurred during the year:                                                                                                                                                                                                                         |                           |                           |
|       | Raw Materials Consumed                                                                                                                                                                                                                                        | 2.35                      | 1.17                      |
|       | Power and Fuel Consumed                                                                                                                                                                                                                                       | 7.32                      | 0.29                      |
|       | Salaries, Wages, Bonus, Ex-Gratia, Gratuity and Provisions                                                                                                                                                                                                    | 32.19                     | 15.61                     |
|       | Rent and Hire Charges                                                                                                                                                                                                                                         | 0.22                      | 0.10                      |
|       | Power and Fuel                                                                                                                                                                                                                                                | 0.20                      | 0.48                      |
|       | Insurance                                                                                                                                                                                                                                                     | 1.76                      | 0.50                      |
|       | Exchange Loss/(Gain)                                                                                                                                                                                                                                          | (0.02)                    | -                         |
|       | Depreciation                                                                                                                                                                                                                                                  | 2.08                      | 2.09                      |
|       | Finance Cost                                                                                                                                                                                                                                                  | 3.13                      | 8.97                      |
|       | Consumption of Stores, Spare Parts and Components, Packing Materials, etc.                                                                                                                                                                                    | 0.07                      | -                         |
|       | Repairs and Maintenance                                                                                                                                                                                                                                       | 5.61                      | -                         |
|       | Other Expenses                                                                                                                                                                                                                                                | 27.14                     | 57.36                     |
|       |                                                                                                                                                                                                                                                               | 82.05                     | 86.57                     |
|       | Less: Sale of Trial Run Production                                                                                                                                                                                                                            | 0.98                      | -                         |
|       | Add: Pre-Operative Expenditure incurred upto Previous Year                                                                                                                                                                                                    | 104.11                    | 171.29                    |
|       | Add: Transferred from ABNL pursuant to Scheme of Amalgamation                                                                                                                                                                                                 | 4.16                      | -                         |
|       | Less: Trial- Run Production Transferred to Inventory                                                                                                                                                                                                          | 6.60                      | 1.79                      |
|       | Less: Pre-Operative Expenditure charged to P&L during the Year                                                                                                                                                                                                | -                         | 1.87                      |
|       | Less: Capitalised/Charged during the Year                                                                                                                                                                                                                     | 51.26                     | 150.09                    |
|       | <b>Total Pre-Operative Expenses Pending Allocation</b>                                                                                                                                                                                                        | <b>131.48</b>             | <b>104.11</b>             |



# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 2.2 GOODWILL ON CONSOLIDATION

|                                                                                                                             | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|
| Balance at the beginning of the year                                                                                        | 2,994.39                  | 3,015.52                                  |
| Goodwill arising on Consolidation (net of ₹ 588.29 Crore on cancellation of cross holding in erstwhile ABNL) {Note 4.12(A)} | 13,246.23                 | -                                         |
| Goodwill derecognised on Loss of Control in a Subsidiary                                                                    | (55.07)                   | (1.64)                                    |
| Effects of Foreign Currency Exchange Differences                                                                            | 6.26                      | (19.49)                                   |
| Balance at the end of the year                                                                                              | 16,191.81                 | 2,994.39                                  |

## 2.3 NON-CURRENT FINANCIAL ASSETS - EQUITY ACCOUNTED INVESTEEES

|                                                  | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|--------------------------------------------------|---------------------------|-------------------------------------------|
| <b>Investments in Equity Accounted Investees</b> |                           |                                           |
| <b>Joint Ventures (Note 4.13)</b>                |                           |                                           |
| Share in Net Assets                              | 3,740.28                  | 834.84                                    |
| Goodwill/(Capital Reserve)                       | 1,948.33                  | 4.24                                      |
| Equity Investments in Joint Ventures - At Cost   | 5,688.61                  | 839.08                                    |
| Impairment in value of Investments               | (1.65)                    | (38.96)                                   |
| Share in Profit/Reserves of Joint Ventures       | 359.63                    | 173.90                                    |
|                                                  | 6,046.59                  | 974.02                                    |
| <b>Associates (Note 4.13)</b>                    |                           |                                           |
| Share in Net Assets                              | 6,303.33                  | 179.96                                    |
| Goodwill/(Capital Reserve)                       | 1,254.29                  | -                                         |
| Equity Investments in Associates - At Cost       | 7,557.62                  | 179.96                                    |
| Impairment in value of Investments               | (0.22)                    | (0.22)                                    |
| Share in Profit/Reserves of Associates           | 263.54                    | 998.07                                    |
|                                                  | 7,820.94                  | 1,177.81                                  |
|                                                  | 13,867.53                 | 2,151.83                                  |

## 2.4 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS OF INSURANCE BUSINESS

|                                                                     | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|---------------------------------------------------------------------|---------------------------|-------------------------------------------|
| <b>Investments in various Mutual Funds</b>                          |                           |                                           |
| Carried at Fair Value through Profit or Loss (FVTPL) #              | 1.11                      | -                                         |
|                                                                     | 1.11                      | -                                         |
| <b>Investments in Equity Instruments</b>                            |                           |                                           |
| Carried at FVTPL#                                                   | 1,039.50                  | -                                         |
| Carried at Fair Value through Other Comprehensive Income (FVTOCI) # | 86.41                     | -                                         |
|                                                                     | 1,125.91                  | -                                         |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                                      | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|------------------------------------------------------|---------------------------|-------------------------------------------|
| <b>Investments in Government or Trust Securities</b> |                           |                                           |
| Carried at Amortised cost #                          | 3,991.13                  | -                                         |
| Carried at FVTOCI #                                  | 2,403.17                  | -                                         |
|                                                      | 6,394.30                  | -                                         |
| <b>Investments in Debentures</b>                     |                           |                                           |
| Carried at Amortised cost #                          | 1,966.93                  | -                                         |
| Carried at FVTOCI #                                  | 2,288.34                  | -                                         |
| Carried at FVTPL #                                   | 24.88                     | -                                         |
|                                                      | 4,280.15                  | -                                         |
| <b>Other Non-Current Investments</b>                 |                           |                                           |
| Carried at Amortised cost                            | 65.23                     | -                                         |
| Carried at FVTOCI                                    | 84.66                     | -                                         |
|                                                      | 149.89                    | -                                         |
|                                                      | 11,951.36                 | -                                         |

# Quoted Investments

## 2.4.1 Aggregate Book Value of:

|                                              | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|----------------------------------------------|---------------------------|-------------------------------------------|
| Quoted Investments                           | 11,801.47                 | -                                         |
| Unquoted Investments                         | 149.89                    | -                                         |
|                                              | 11,951.36                 | -                                         |
| Aggregate Market Value of Quoted Investments | 11,801.47                 | -                                         |

## 2.5 NON-CURRENT FINANCIAL ASSETS - OTHER INVESTMENTS

(Long-Term, Fully Paid-up)

|                                               | Face<br>Value  | Total Nos. | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|-----------------------------------------------|----------------|------------|---------------------------|-------------------------------------------|
| <b>Investments in Equity Instruments</b>      |                |            |                           |                                           |
| <b>Carried at FVTOCI {Note 2.5.4 (a)}</b>     |                |            |                           |                                           |
| Thai Rayon Public Company Limited, Thailand # | Thai Baht<br>1 | 13,988,570 | 154.58                    | 123.77                                    |
| P.T. Indo Bharat Rayon Co. Limited, Indonesia | US\$ 100       | 5,000      | 505.01                    | 347.11                                    |
| Aditya Birla Ports Limited                    | ₹ 10           | 50,000     | -                         | 0.07                                      |
| Aditya Birla Nuvo Limited # (Note 2.5.3)      | ₹ 10           | 3,345,816  | -                         | 509.25                                    |
| Larsen & Toubro Limited # *                   | ₹ 2            | 2,631,869  | 517.52                    | 415.20                                    |



# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                                                                                          | Face Value       | Total Nos. | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|----------------------------------------------------------------------------------------------------------|------------------|------------|---------------------------|-------------------------------------------|
| Hindalco Industries Limited<br># \$ (Previous Year: 54,542,475<br>Shares)                                | ₹ 1              | 88,048,812 | 1,889.09                  | 1,064.12                                  |
| Indophil Textile Mills Inc.,<br>Philippines                                                              | Peso 10          | 422,496    | 2.87                      | 3.30                                      |
| Birla International Limited -<br>Isle of Man                                                             | CHF 100          | 2,500      | 4.01                      | 3.96                                      |
| JSW Steel (Salav) Limited<br>(Formerly known as Welspun<br>Maxsteel Limited)                             | ₹ 10             | 1,400,000  | -                         | 0.10                                      |
| Aditya Birla Fashion and Retail<br>Limited # \$ (Previous Year:<br>17,398,243 Shares)                    | ₹ 10             | 87,449,940 | 1,319.19                  | 267.58                                    |
| Birla Management Centre<br>Services Limited (Previous Year:<br>2,000 Shares)                             | ₹ 10             | 4,449,800  | 5.72                      | 0.01                                      |
| Others                                                                                                   |                  |            | -                         | 0.01                                      |
|                                                                                                          |                  |            | 4,397.99                  | 2,734.48                                  |
| <b>Carried at FVTPL (Note 2.5.4 (a))</b>                                                                 |                  |            |                           |                                           |
| AWAM Minerals LLC                                                                                        | Omani<br>Riyal 1 | 168,035    | 7.11                      | -                                         |
| MOIL Limited#                                                                                            | 10               | 24,490     | 0.48                      |                                           |
| Aditya Birla Ports Limited                                                                               | ₹ 10             | 50,000     | -                         | 0.05                                      |
| Raj Mahal Coal Mining Limited                                                                            | ₹ 10             | 1,000,000  | 1.00                      | 1.00                                      |
| Green Infra Wind Power                                                                                   | ₹ 10             | 144,000    | 0.14                      | 0.14                                      |
| NU Power Wind Farm (Previous<br>Year: 20,000 Shares)                                                     | ₹ 10             | 40,000     | 0.04                      | 0.02                                      |
|                                                                                                          |                  |            | 8.77                      | 1.21                                      |
| <b>Investments in Preference Shares</b>                                                                  |                  |            |                           |                                           |
| <b>Carried at FVTPL (Note 2.5.4 (c))</b>                                                                 |                  |            |                           |                                           |
| <b>Joint Ventures</b>                                                                                    |                  |            |                           |                                           |
| 6% Cumulative Redeemable<br>Retractable, Non-Voting                                                      | WPV              | 6,750,000  | 22.74                     | 20.58                                     |
| Preferred Shares of AV Group NB<br>Inc., Canada, of aggregate value<br>of Canadian Dollar 6.75 Million   |                  |            |                           |                                           |
| 1% Redeemable Preference<br>Shares of Aditya Group AB,<br>Sweden, of aggregate value of<br>USD 8 Million | WPV              | 160,000    | 46.32                     | 42.37                                     |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                                                                                                                      | Face Value | Total Nos. | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|--------------------------------------------------------------------------------------------------------------------------------------|------------|------------|---------------------------|-------------------------------------------|
| <b>Others</b>                                                                                                                        |            |            |                           |                                           |
| 5.25% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited @\$ (Previous Year: 2,500,000 Shares)          | ₹ 100      | 4,000,000  | 39.09                     | 22.66                                     |
| 4.50% Cumulative Non-Convertible Redeemable Preference Shares of Aditya Birla Health Services Limited                                | ₹ 100      | 2,000,000  | 15.30                     | 14.10                                     |
| 11% Redeemable, Cumulative Non-Convertible Preference Shares of TANFAC Industries Limited                                            | ₹ 100      | 500,000    | 0.85                      | 0.76                                      |
| 8% Redeemable and Cumulative Preference Shares of Aditya Birla Fashion and Retail Limited                                            | ₹ 10       | 500,000    | 0.82                      | -                                         |
| Vedanta Limited (7.50% Non-Cumulative Non-Convertible Redeemable Preference Shares)#                                                 | ₹ 10       | 21,332,924 | 21.29                     | -                                         |
| Tata Motors Finance Limited (formerly known as Sheba Properties Limited) (8.20% Compulsory Convertible Cumulative Preference Shares) | ₹ 100      | 10,000,000 | 206.07                    | -                                         |
| 8% Preference Shares of Birla Management Centre Services Limited \$ ! Represents amount of ₹ 2000                                    | ₹ 10       | 200        | !                         | -                                         |
|                                                                                                                                      |            |            | 352.48                    | 100.47                                    |
| <b>Investments in Debentures or Bonds and other Investments {Note 2.5.4 (b)} #</b>                                                   |            |            |                           |                                           |
| <b>Carried at FVTOCI</b>                                                                                                             |            |            |                           |                                           |
| Tax Free Bonds                                                                                                                       |            |            | 155.70                    | 157.17                                    |
| Taxable Corporate Bonds                                                                                                              |            |            | 12.15                     | 12.31                                     |
|                                                                                                                                      |            |            | 167.85                    | 169.48                                    |
| <b>Carried at FVTPL</b>                                                                                                              |            |            |                           |                                           |
| Tax Free Bonds                                                                                                                       |            |            | 362.74                    | 500.25                                    |
| Taxable Corporate Bonds                                                                                                              |            |            | 211.39                    | 105.65                                    |
|                                                                                                                                      |            |            | 574.13                    | 605.90                                    |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                                                        | Face Value | Total Nos. | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|------------------------------------------------------------------------|------------|------------|---------------------------|-------------------------------------------|
| <b>Other Investments</b>                                               |            |            |                           |                                           |
| <b>Carried at FVTPL</b>                                                |            |            |                           |                                           |
| Aditya Birla Private Equity- Fund I                                    |            |            | 10.14                     | -                                         |
| Aditya Birla Private Equity-<br>Sunrise Fund                           |            |            | 14.78                     | -                                         |
| Investment in alternate funds                                          |            |            | 78.60                     | -                                         |
| PMS Investment                                                         |            |            | 15.52                     | -                                         |
|                                                                        |            |            | 119.04                    | -                                         |
| <b>Carried at FVTPL</b>                                                |            |            |                           |                                           |
| <b>Investments in various Mutual Funds {Note 2.5.4 (c)}#</b>           |            |            | 703.15                    | 787.57                                    |
| <b>Investments in various Mutual Funds (Unquoted) {Note 2.5.4 (c)}</b> |            |            | 889.25                    | 650.85                                    |
|                                                                        |            |            | 7,212.66                  | 5,049.96                                  |

WPV - Without Par Value

\$ Investment acquired on Merger of ABNL

# Quoted Investments

\* Bonus shares received during the year in the ratio of 1:2

@ Each Preference Share is optionally convertible in 10 Equity shares of ₹ 10/- each fully paid-up on the expiry of a period of 15 years from the date of allotment.

## 2.5.1 Aggregate Book Value of:

|                                              | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|----------------------------------------------|---------------------------|-------------------------------------------|
| Quoted Investments                           | 5,347.28                  | 3,942.87                                  |
| Unquoted Investments                         | 1,865.38                  | 1,107.09                                  |
|                                              | 7,212.66                  | 5,049.96                                  |
| Aggregate Market Value of Quoted Investments | 5,347.28                  | 3,942.87                                  |

## 2.5.2 Category wise Non- Current Investments:

|                                          | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|------------------------------------------|---------------------------|-------------------------------------------|
| <b>Quoted</b>                            |                           |                                           |
| Financial Investments measured at FVTOCI |                           |                                           |
| Equity Shares                            | 3,880.38                  | 2,379.92                                  |
| Debentures or Bonds                      | 167.85                    | 169.48                                    |
| <b>Sub-Total (a)</b>                     | <b>4,048.23</b>           | <b>2,549.40</b>                           |
| Financial Investments measured at FVTPL  |                           |                                           |
| Mutual Fund                              | 703.15                    | 787.57                                    |
| Debentures or Bonds                      | 574.13                    | 605.90                                    |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                          |                      | (₹ in Crore)              |                           |
|------------------------------------------|----------------------|---------------------------|---------------------------|
|                                          |                      | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Equity Shares                            |                      | 0.48                      | -                         |
| Preference Shares                        |                      | 21.29                     | -                         |
|                                          | <b>Sub-Total (b)</b> | <b>1,299.05</b>           | <b>1,393.47</b>           |
|                                          | <b>Total (a+b)</b>   | <b>5,347.28</b>           | <b>3,942.87</b>           |
| <b>Unquoted</b>                          |                      |                           |                           |
| Financial Investments measured at FVTOCI |                      |                           |                           |
| Equity Shares                            |                      | 517.61                    | 354.56                    |
|                                          | <b>Sub-Total (a)</b> | <b>517.61</b>             | <b>354.56</b>             |
| Financial Investments measured at FVTPL  |                      |                           |                           |
| Equity Shares                            |                      | 8.29                      | 1.21                      |
| Mutual Funds                             |                      | 889.25                    | 650.85                    |
| Preference Shares                        |                      | 331.19                    | 100.47                    |
| Private Equity Investment Funds          |                      | 119.04                    | -                         |
|                                          | <b>Sub-Total (b)</b> | <b>1,347.77</b>           | <b>752.53</b>             |
|                                          | <b>Total (a+b)</b>   | <b>1,865.38</b>           | <b>1,107.09</b>           |

**2.5.3** The Company previously held around 2.57% stake in Aditya Birla Nuvo Limited, which was classified as FVTOCI Investment during the previous year, and change in fair value of ₹ 475.99 Crore was recognised in OCI as on 31st March 2017. Total change in fair value till the date of merger accumulated in OCI amounted to ₹ 588.29 Crore (positive change in fair value of ₹ 112.30 Cr in the current year up to the date of merger) was transferred to Capital Reserve.

## 2.5.4 Disclosure requirement of Ind AS 107- "Financial Instruments: Disclosure"

### a. Equity Instruments (Other than Subsidiaries, Joint Venture and Associates)

These investments have to be fair valued either through OCI or Profit and Loss. Investments in the holding Company have been designated on initial recognition to be measured at FVTOCI as these are strategic investments and are not intended for sale. However, few of the Equity instruments held by a Subsidiary Company have been designated to be measured at FVTPL as these investments are held for trading.

### b. Debentures and Bonds

Investments in Debentures or Bonds meet the contractual cash flow test as required by Ind AS 109: Financial Instruments. However, the business model of the holding Company is such that it does not hold these investments till maturity as the Company intends to sell these investments as and when need arises. Hence, the same have been designated at FVTOCI.

Investment in Debentures and Bonds held by a Subsidiary Company have been designated to be measured at FVTPL as these investments are held for trading.

### c. Mutual Funds and Preference Shares designated at FVTPL

Preference Shares and Mutual Funds have been measured on initial recognition at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109: "Financial Instruments," for being measured at amortised cost or FVTOCI, hence classified at FVTPL.

# Notes

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**2.5.5** The investments in the Company's Joint Ventures, AV Group NB Inc., AVTerrace Bay Inc., Birla Jingwei Fibres Company Limited, Aditya Group AB; and its Associate, Idea Cellular Limited, are subject to maintenance of specific holding by the Company until the credit facility provided by certain lenders to respective Companies are outstanding. Without guaranteeing the repayment to the lenders, the Company has also agreed that the affairs of the Associates 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.

## 2.6 NON-CURRENT FINANCIAL ASSETS - ASSETS HELD TO COVER LINKED LIABILITIES

|                                                           | (₹ in Crore)              |                           |
|-----------------------------------------------------------|---------------------------|---------------------------|
|                                                           | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Carried at Fair Value through Profit or Loss</b>       |                           |                           |
| <b>Quoted Investments</b>                                 |                           |                           |
| Mutual Funds                                              | 96.02                     | -                         |
| Equity Instruments                                        | 9,477.61                  | -                         |
| Government or Trust Securities                            | 4,789.83                  | -                         |
| Debentures                                                | 6,976.61                  | -                         |
| Other Non-Current Investments                             | 351.66                    | -                         |
|                                                           | <b>21,691.73</b>          | <b>-</b>                  |
| <b>2.6.1 Aggregate Book Value of Quoted Investments</b>   | <b>21,691.73</b>          | <b>-</b>                  |
| <b>2.6.2 Aggregate Market Value of Quoted Investments</b> | <b>21,691.73</b>          | <b>-</b>                  |

## 2.7 NON-CURRENT FINANCIAL ASSETS - LOANS

(Unsecured, Considered Good, except otherwise stated)  
(Carried at Amortised Cost)

|                                                              | (₹ in Crore)              |                           |
|--------------------------------------------------------------|---------------------------|---------------------------|
|                                                              | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Loans against House Property (Secured by way of Title Deeds) | 0.01                      | 0.03                      |
| Security Deposits                                            | 226.92                    | 135.05                    |
| Loans and Advances of Financing Activities                   |                           |                           |
| Secured                                                      | 33,146.28                 | -                         |
| Unsecured                                                    | 4,318.45                  | -                         |
| Less: Excepted credit loss allowance                         | (312.22)                  | -                         |
| Loans to Related Parties (Note 4.8.2)                        | 32.84                     | 43.23                     |
| Loans against Insurance Policies                             | 74.22                     | -                         |
| Loans to Employees                                           | 25.83                     | 20.68                     |
| Others                                                       | 0.20                      | -                         |
|                                                              | <b>37,512.53</b>          | <b>198.99</b>             |



# Notes

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## 2.8 NON-CURRENT FINANCIAL ASSETS - OTHERS

(Carried at Amortised Cost, except otherwise stated)

|                                                                                       | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|---------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|
| Derivative Assets - Carried at Fair Value                                             | 1.00                      | 58.50                                     |
| Fixed Deposits with Banks with maturity more than 12 months*#@                        | 21.55                     | 17.76                                     |
| Receivable towards Divested Business (Note 2.8.1)                                     | 35.12                     | -                                         |
| Other Receivables                                                                     | 6.55                      | -                                         |
|                                                                                       | 64.22                     | 76.26                                     |
| * Includes interest accrued                                                           |                           |                                           |
| # Lodged as security with Government Departments                                      | -                         | 16.85                                     |
| @ Lien Marked in favour of Insurance Regulatory Development Authority of India (IRDA) | 1.23                      | -                                         |

2.8.1 The Company has to receive from purchaser ₹ 35.12 Crore towards tax refund.

## 2.9 DEFERRED TAX ASSETS (NET)

|                                                          | As at<br>31st March, 2018 | Charge for<br>the Year | (₹ in Crore)<br>As at<br>31st March, 2017 |
|----------------------------------------------------------|---------------------------|------------------------|-------------------------------------------|
| <b>Deferred Tax Assets:</b>                              |                           |                        | 58.50                                     |
| Provision for Contingencies Allowable on Payment Basis   | 0.09                      | -                      | 0.09                                      |
| Unabsorbed Losses                                        | 28.66                     | (1.12)                 | 29.78                                     |
| Unrealised profits arising on Intragroup Stock Transfers | 11.18                     | 0.53                   | 10.65                                     |
| MAT Credit Entitlement                                   | 0.19                      | 0.19                   | -                                         |
| Others                                                   | 0.74                      | 0.74                   | -                                         |
|                                                          | 40.86                     | 0.34                   | 40.52                                     |
| <b>Deferred Tax Liabilities:</b>                         |                           |                        |                                           |
| Accumulated Depreciation                                 | 19.32                     | (0.76)                 | 20.08                                     |
| Others                                                   | 0.12                      | 0.12                   | -                                         |
|                                                          | 19.44                     | (0.64)                 | 20.08                                     |
| <b>Deferred Tax Assets (Net)</b>                         | <b>21.42</b>              | <b>0.98</b>            | <b>20.44</b>                              |

## 2.10 OTHER NON-CURRENT ASSETS

|                                                                | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|----------------------------------------------------------------|---------------------------|-------------------------------------------|
| Capital Advances for Purchase of Property, Plant and Equipment |                           |                                           |
| Unsecured, Considered Good                                     | 2,258.64                  | 353.54                                    |
| Unsecured, Considered Doubtful                                 | 29.18                     | 12.06                                     |
| Less: Allowance for Doubtful                                   | (29.18)                   | (12.06)                                   |
| Balances with Government Authorities                           | 717.88                    | 202.53                                    |
| Leasehold Land Prepayments                                     | 20.25                     | 31.13                                     |
| Security Deposits                                              | 2.94                      | 3.08                                      |
| Reinsurance Assets                                             | 475.10                    | -                                         |
| Deferred Acquisition Cost                                      | 9.28                      | -                                         |
| Other Advances                                                 | 19.81                     | 0.84                                      |
|                                                                | 3,503.90                  | 591.12                                    |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 2.11 INVENTORIES

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

(₹ in Crore)

|                                              | As at 31st March, 2018 |            |          | As at 31st March, 2017 |            |          |
|----------------------------------------------|------------------------|------------|----------|------------------------|------------|----------|
|                                              | In Hand                | In Transit | Total    | In Hand                | In Transit | Total    |
| Raw Materials                                | 1,402.67               | 538.67     | 1,941.34 | 961.32                 | 496.46     | 1,457.78 |
| Work-in-Progress                             | 775.09                 | -          | 775.09   | 491.08                 | -          | 491.08   |
| Finished Goods                               | 708.63                 | 85.13      | 793.76   | 610.14                 | 91.53      | 701.67   |
| Stock-in-Trade                               | 35.25                  | -          | 35.25    | 24.54                  | -          | 24.54    |
| Stores and Spare Parts                       | 1,890.26               | 410.56     | 2,300.82 | 1,458.16               | 86.02      | 1,544.18 |
| Waste/Scrap (valued at Net Realisable Value) | 14.10                  | -          | 14.10    | 12.17                  | -          | 12.17    |
|                                              | 4,826.00               | 1,034.36   | 5,860.36 | 3,557.41               | 674.01     | 4,231.42 |

The cost of inventories recognised during the year is disclosed in Note 3.4 (Cost of Materials Consumed).

The Company follows a suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory.

Provision for the year is ₹ 3.99 Crore (Previous Year ₹ 8.17 Crore). Inventory values shown above are net of the provisions.

2.11.1 Working Capital Borrowings are secured by hypothecation of inventory of the Company.

## 2.12 CURRENT FINANCIAL ASSETS - EQUITY ACCOUNTED INVESTEEES

(₹ in Crore)

|                                                | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|------------------------------------------------|---------------------------|---------------------------|
| <b>Investments in Equity Instruments</b>       |                           |                           |
| <b>Joint Venture (Note 4.13)</b>               |                           |                           |
| Share in Net Assets                            | 96.18                     | 0.47                      |
| Goodwill/(Capital Reserve)                     | -                         | -                         |
| Equity Investments in Joint Ventures - At Cost | 96.18                     | 0.47                      |
| Impairment in value of Investments             | (41.32)                   | -                         |
| Share in Profit/Reserves of Joint Ventures     | 10.29                     | 3.99                      |
|                                                | 65.15                     | 4.46                      |

2.12.1 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. During the previous year, ABEST had returned ₹ 42.68 Crore, and the difference between Gross investment amount and actual receipt has resulted in an exchange loss of ₹ 13.52 Crore, due to currency depreciation of Turkey.

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## 2.13 CURRENT FINANCIAL ASSETS - INVESTMENT OF INSURANCE BUSINESS

|                                                         | (₹ in Crore)              |                           |
|---------------------------------------------------------|---------------------------|---------------------------|
|                                                         | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Investments in various Mutual Funds</b>              |                           |                           |
| Carried at Fair Value through Profit or Loss (FVTPL) #  | 435.22                    | -                         |
| Carried at Fair Value through Profit or Loss (FVTOCI) # | -                         | -                         |
| <b>Investments in Government or Trust Securities</b>    |                           |                           |
| Carried at Amortised cost #                             | 4.03                      | -                         |
| Carried at FVTOCI #                                     | 50.10                     | -                         |
| <b>Investments in Debentures/Bonds</b>                  |                           |                           |
| Carried at Amortised cost #                             | 42.07                     | -                         |
| Carried at FVTOCI #                                     | 244.78                    | -                         |
| <b>Other Current Investments</b>                        |                           |                           |
| Carried at Amortised cost                               | 122.73                    | -                         |
| Carried at FVTOCI                                       | 168.88                    | -                         |
|                                                         | <b>1,067.81</b>           | <b>-</b>                  |

# Quoted Investments

### 2.13.1 Aggregate Book Value of:

|                                              | (₹ in Crore)              |                           |
|----------------------------------------------|---------------------------|---------------------------|
|                                              | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Quoted Investments                           | 776.20                    | -                         |
| Unquoted Investments                         | 291.61                    | -                         |
|                                              | <b>1,067.81</b>           | <b>-</b>                  |
| Aggregate Market Value of Quoted Investments | 776.20                    | -                         |

## 2.14 CURRENT FINANCIAL ASSETS - OTHER INVESTMENTS

|                                             | (₹ in Crore)              |                           |
|---------------------------------------------|---------------------------|---------------------------|
|                                             | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Investments in various Mutual Funds:</b> |                           |                           |
| Carried at FVTPL #                          | 103.28                    | 12.30                     |
| Carried at FVTPL                            | 5,893.30                  | 6,871.67                  |
| <b>Investments in Government Securities</b> |                           |                           |
| Carried at FVTPL #                          | 25.17                     | -                         |
| <b>Investments in Bonds</b>                 |                           |                           |
| Carried at FVTPL #                          | 90.85                     | 109.16                    |
| Carried at FVTOCI #                         | -                         | 1.00                      |
| <b>Investments in Debentures</b>            |                           |                           |
| Carried at FVTPL                            | 1,009.02                  | -                         |
|                                             | <b>7,121.62</b>           | <b>6,994.13</b>           |

# Quoted Investments

# Notes

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## 2.14.1 Aggregate Book Value of:

|                                                     | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|-----------------------------------------------------|---------------------------|-------------------------------------------|
| Quoted Investments                                  | 194.13                    | 122.46                                    |
| Unquoted Investments                                | 6,927.49                  | 6,871.67                                  |
|                                                     | 7,121.62                  | 6,994.13                                  |
| 2.14.2 Aggregate Market Value of Quoted Investments | 194.13                    | 122.46                                    |
| Aggregate Impairment in Value of Investments        | -                         | -                                         |

## 2.15 CURRENT FINANCIAL ASSETS - ASSETS HELD TO COVER LINKED LIABILITIES

|                                                     | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|-----------------------------------------------------|---------------------------|-------------------------------------------|
| <b>Carried at Fair Value through Profit or Loss</b> |                           |                                           |
| <b>Quoted Investments</b>                           |                           |                                           |
| Mutual Funds                                        | 1,022.20                  | -                                         |
| Government or Trust Securities                      | 554.09                    | -                                         |
| Debentures                                          | 946.69                    | -                                         |
| Other Current Investments                           | 416.13                    | -                                         |
| Other Current Assets                                | 78.04                     | -                                         |
|                                                     | 3,017.15                  | -                                         |
| 2.15.1 Aggregate Book Value of Quoted Investments   | 3,017.15                  | -                                         |
| 2.15.2 Aggregate Market Value of Quoted Investments | 3,017.15                  | -                                         |

## 2.16 TRADE RECEIVABLES

|                                                                                                  | As at<br>31st March, 2018 | (₹ in Crore)<br>As at<br>31st March, 2017 |
|--------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|
| Secured, Considered Good                                                                         | 804.80                    | 526.24                                    |
| Unsecured, Considered Good*#@                                                                    | 4,408.34                  | 2,483.32                                  |
| Unsecured, Considered Doubtful                                                                   | 123.17                    | 47.27                                     |
|                                                                                                  | 5,336.31                  | 3,056.83                                  |
| Less: Allowance for Doubtful                                                                     | 123.17                    | 47.27                                     |
|                                                                                                  | 5,213.14                  | 3,009.56                                  |
|                                                                                                  | 5,213.14                  | 3,009.56                                  |
| * Includes amount in respect of which the Company holds Letters of Credit/Guarantees from Banks. | 452.11                    | 191.78                                    |
| @ Includes amount due from related parties. (Note 4.8)                                           | 66.76                     | 40.47                                     |
| # includes subsidy receivable from Government of India.                                          | 760.42                    | -                                         |

2.16.1 Working Capital Borrowings are secured by hypothecation of book debts of the Company

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 2.17 CASH AND CASH EQUIVALENTS

|                                                            | (₹ in Crore)              |                           |
|------------------------------------------------------------|---------------------------|---------------------------|
|                                                            | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Balances with Banks                                        |                           |                           |
| In Current Account                                         | 227.72                    | 55.61                     |
| In Deposit Account - Original Maturity of 3 Months or Less | 575.17                    | -                         |
| In EEFC Account                                            | 7.29                      | 8.58                      |
| Cash in Hand                                               | 121.48                    | 28.19                     |
| Cash on Hand                                               | 17.98                     | 1.44                      |
|                                                            | 949.64                    | 93.82                     |

## 2.18 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

|                                                                              | (₹ in Crore)              |                           |
|------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                              | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Other Balances</b>                                                        |                           |                           |
| Earmarked Balance with Banks                                                 |                           |                           |
| In Government Treasury Savings Account                                       | 0.03                      | 0.03                      |
| Unclaimed Dividend                                                           | 23.67                     | 25.43                     |
| Other Bank Balances #                                                        | -                         | 2,000.00                  |
| Bank Deposits (with maturity more than 3 months but less than 12 months) \$* | 340.72                    | 187.64                    |
| Others @                                                                     | 0.83                      | 0.09                      |
|                                                                              | 365.25                    | 2,213.19                  |
| # Earmarked for specific purpose                                             |                           |                           |
| \$ ₹ 126.10 Crore (Previous Year ₹ 157.18 Crore) for specific purpose        |                           |                           |
| * Lodged as Security with Government Departments                             | 0.51                      | 1.13                      |
| @ Unclaimed Fractional Warrants                                              |                           |                           |

**2.18.1** There is no restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods except for unclaimed dividend and unclaimed fractional warrants, which can be utilised towards settlement of unclaimed dividend and fractional bonus shares.

**2.18.2** There are no amounts due and outstanding to be credited to the Investors Education and Protection Fund as at 31st March, 2018 and 31st March, 2017.



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## 2.19 CURRENT FINANCIAL ASSETS - LOANS

(Unsecured, Considered Good, except otherwise stated)  
(Carried at Amortised Cost)

|                                                              | (₹ in Crore)              |                           |
|--------------------------------------------------------------|---------------------------|---------------------------|
|                                                              | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Loans against House Property (Secured by way of Title Deeds) | 0.01                      | 0.01                      |
| Security Deposits                                            | 150.78                    | 120.13                    |
| Loans and Advances of Financing Activities                   |                           |                           |
| Secured                                                      | 9,261.75                  | -                         |
| Unsecured                                                    | 4,033.45                  | -                         |
| Less: Expected credit loss allowance                         | (54.79)                   | -                         |
| Loans against Insurance Policies                             | 0.08                      | -                         |
| Deposits with Body Corporates                                | 30.00                     | 13.50                     |
| Loans to Related Parties (Note 4.8.2)                        | 29.53                     | 36.25                     |
| Others (include Loans to Employees, etc.)                    | 91.78                     | 11.45                     |
|                                                              | <b>13,542.59</b>          | <b>181.34</b>             |

## 2.20 CURRENT FINANCIAL ASSETS - OTHERS

(Carried at Amortised cost, except otherwise stated)

|                                                                               | (₹ in Crore)              |                           |
|-------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Derivative Assets - Carried at Fair Value                                     | 120.52                    | 157.32                    |
| Reimbursement of Expenses Receivable                                          | 141.65                    | -                         |
| Interest Accrued on Investments                                               | 23.31                     | 24.24                     |
| Unclaimed Amount of Policyholders*                                            | 258.42                    | -                         |
| Others (Government Grants Receivable, Insurance Claims and other Receivables) | 506.40                    | 218.15                    |
|                                                                               | <b>1,050.30</b>           | <b>399.71</b>             |

\* As per the IRDAI circular, a separate fund is to be formed for unclaimed amount of policyholders

## 2.21 OTHER CURRENT ASSETS

(Unsecured, Considered Good, except otherwise stated)

|                                                  | (₹ in Crore)              |                           |
|--------------------------------------------------|---------------------------|---------------------------|
|                                                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Balances with Government Authorities             | 819.70                    | 511.61                    |
| Advances to Suppliers                            | 664.24                    | 588.15                    |
| Less: Loss Allowance                             | (0.04)                    | (0.04)                    |
| Deferred Acquisition Costs                       | 1.65                      | -                         |
| Reinsurance Assets                               | 82.77                     | -                         |
| Other Receivable and Advances to Related Parties | 6.09                      | 0.32                      |
| Others (include Prepayments, etc.)               | 257.61                    | 192.98                    |
| Less: Loss Allowance                             | (0.07)                    | (0.07)                    |
|                                                  | <b>1,831.95</b>           | <b>1,292.95</b>           |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 2.22 EQUITY SHARE CAPITAL

### 2.22.1 Authorised

|                                                                                               | (₹ in Crore)              |                           |
|-----------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| 1,472,500,000 Equity Shares of ₹ 2/- each<br>(Previous Year 597,500,000 Shares of ₹ 2/- each) | 294.50                    | 119.50                    |
| Redeemable Cumulative Preference Shares of ₹ 100/- each                                       |                           |                           |
| 150,000 15% "A" Series                                                                        | -                         | 1.50                      |
| 100,000 8.57% "B" Series                                                                      | -                         | 1.00                      |
| 300,000 9.30% "C" Series                                                                      | -                         | 3.00                      |
| 50,000 11%                                                                                    | -                         | 0.50                      |
| 1,100,000 Redeemable Cumulative Preference Shares<br>of ₹ 100/- each                          | 11.00                     | -                         |
|                                                                                               | 305.50                    | 125.50                    |

### 2.22.2 Issued, Subscribed and Fully Paid-up

|                                                                                                                                                                                                                                                           | (₹ in Crore)              |                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                                                                                                                           | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| 657,371,435 Equity Shares of ₹ 2/- each (Previous Year: 466,837,110<br>Shares of ₹ 2/- each) fully paid-up                                                                                                                                                | 131.47                    | 93.37                     |
| <b>Share Capital Suspense:</b>                                                                                                                                                                                                                            |                           |                           |
| 28,295 Equity Shares of ₹ 2/- each (Previous Year 28,295 of<br>₹ 2/- each) to be issued as fully paid-up pursuant to acquisition of<br>Cement Business of Aditya Birla Nuvo Limited under Scheme of<br>Arrangement without payment being received in cash | 0.01                      | *                         |
|                                                                                                                                                                                                                                                           | 131.48                    | 93.37                     |

\* ₹ 56,590

### 2.22.3 Shares kept in Abeyance

Pursuant to provisions of section 126 of the Companies Act, 2013, the issue of 61,985 equity shares are kept in abeyance.

### 2.22.4 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

|                                                                                                           | Number of Shares |                  | (₹ in Crore)                 |                              |
|-----------------------------------------------------------------------------------------------------------|------------------|------------------|------------------------------|------------------------------|
|                                                                                                           | Current<br>Year  | Previous<br>Year | As at<br>31st March,<br>2018 | As at<br>31st March,<br>2017 |
| Outstanding as at the beginning of the year<br>(Pre-split)                                                | 466,865,405      | 93,360,985       | 93.37                        | 93.36                        |
| Adjustment for Sub-Division of Equity Shares                                                              | -                | 373,443,940      | -                            | -                            |
| Outstanding as at the beginning of the year<br>(Post-split)                                               | 466,865,405      | 466,804,925      | 93.37                        | 93.36                        |
| Issued during the year to the Shareholders of<br>ABNL pursuant to the Scheme of Merger<br>[Note 4.12 (A)] | 190,462,665      | -                | 38.09                        | -                            |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                                           | Number of Shares |               | (₹ in Crore)           |                        |
|-----------------------------------------------------------|------------------|---------------|------------------------|------------------------|
|                                                           | Current Year     | Previous Year | As at 31st March, 2018 | As at 31st March, 2017 |
| Issued during the year under Employee Stock Option Scheme | 71,660           | 106,580       | 0.02                   | 0.02                   |
| Less: Cancellation from Shares Capital Suspense Account   | -                | 46,100        | -                      | 0.01                   |
| Outstanding as at the end of the year                     | 657,399,730      | 466,865,405   | 131.48                 | 93.37                  |

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

The Company has only one class of Equity Shares having a par value of ₹ 2/- per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

## 2.22.6 The Company does not have any Holding Company.

## 2.22.7 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

|                                                   | Current Year  |           | Previous Year |           |
|---------------------------------------------------|---------------|-----------|---------------|-----------|
|                                                   | No. of Shares | % Holding | No. of Shares | % Holding |
| Turquoise Investments and Finance Private Limited | 42,119,836    | 6.41%     | 29,541,705    | 6.33%     |
| Trapti Trading and Investments Private Limited    | 41,525,217    | 6.32%     | 27,389,315    | 5.87%     |
| Life Insurance Corporation of India               | 38,176,351    | 5.81%     | 28,952,784    | 6.20%     |
| TGS Investment and Trade Private Limited          | 35,882,075    | 5.46%     | -             | 0.00%     |
| IGH Holdings Private Limited                      | 33,491,293    | 5.09%     | -             | 0.00%     |

|         |                                                                                                                                                                                                            |             |       |            |        |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------|------------|--------|
| 2.22.8  | Equity Shares of ₹ 2/- each (Previous Year: ₹ 2/- each) represented by Global Depository Receipts (GDRs) (GDR holders have voting rights as per the Deposit Agreement)                                     | 45,396,998  | 6.91% | 48,534,477 | 10.40% |
| 2.22.9  | Shares reserved for issue under options and contracts, including the terms and amounts: For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company (Note 4.4.10) |             |       |            |        |
| 2.22.10 | 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                                | 197,770,950 |       | 7,308,420  |        |

# Notes

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## 2.23 OTHER EQUITY - Attributable to Owners of the Company

|                                                 | (₹ in Crore)              |                           |
|-------------------------------------------------|---------------------------|---------------------------|
|                                                 | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Equity Component of Other Financial Instruments | 3.00                      | 3.00                      |
| Capital Reserve                                 | 127.33                    | 109.79                    |
| Legal Reserve                                   | 1.10                      | 0.78                      |
| Securities Premium Reserve                      | 24,347.27                 | 708.06                    |
| General Reserve                                 | 26,649.19                 | 24,608.30                 |
| Debenture Redemption Reserve                    | 273.51                    | 151.56                    |
| Special Reserve Fund                            | 80.85                     | 6.46                      |
| Surplus as per Statement of Profit and Loss     | 3,455.41                  | 3,299.75                  |
| Debt Instruments through OCI                    | (36.00)                   | 8.49                      |
| Equity Instruments through OCI                  | 1,980.19                  | 2,195.18                  |
| Hedging Reserve                                 | 52.73                     | 39.01                     |
| Foreign Currency Translation Reserve            | 171.20                    | 121.60                    |
| Employee Share Options Outstanding              | 124.59                    | 41.73                     |
|                                                 | 57,230.37                 | 31,293.71                 |

For Reserve Movement: Refer Statement of Changes in Equity

**The Description of the nature and purpose of each reserve within equity is as follows:**

- Capital Reserve :** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase. The Company's capital reserve is mainly on account of business combination of erstwhile Aditya Birla Chemicals (India) Limited/Aditya Birla Nuvo limited, Larsen & Toubro cement business and Gujarat units of Jaypee Cement Corporation Limited (JCCL) and Jaiprakash Associates Limited (JAL).
- Legal Reserve:** Legal Reserve represents, profit transferred as per the legal requirements in a Joint Venture of the Company.
- Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act 2013, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.
- General Reserve:** The Company has transferred a portion of net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- Debenture Redemption Reserve (DRR):** The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), requires to create DRR out of the profits available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.
- Special Reserve Fund:** An amount equivalent to 20% of the profits is transferred to special reserve fund in one of the subsidiaries as per Prudential Norms of RBI.

# Notes

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- g. Debt Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of debt instruments measured at fair value through OCI, net of amount reclassified to profit or loss when those assets have been disposed of such instruments.
- h. Equity Instrument through OCI:** It represents the cumulative gains/(Losses) arising on the revaluation of Equity Shares (other than Investment in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI.
- i. Hedging Reserve:** It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.
- j. Foreign Currency Translation Reserve:** Foreign Currency Translation Reserve represents the exchange rate variation in opening equity share capital and reserves and surplus in respect of Joint Ventures of the Company and Subsidiaries of UltraTech, being foreign operations.
- k. Employee Share Option Outstanding:** The Company has share option schemes, under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

## 2.24 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Carried at Amortised Cost, except otherwise stated)

|                                                      | (₹ in Crore)              |                           |
|------------------------------------------------------|---------------------------|---------------------------|
|                                                      | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Secured</b>                                       |                           |                           |
| Non-Convertible Debentures {Note (a)}                | 11,380.73                 | 1,925.00                  |
| Term Loan from Banks                                 |                           |                           |
| Rupee Term Loans from Banks {Note (b1)}              | 22,868.83                 | 688.96                    |
| Foreign Currency Loans {Note (b2)}                   | 325.88                    | 259.40                    |
| Term Loan from Others {Note (b3)}                    | 12.79                     | -                         |
| Long-Term Finance Lease Obligation {Note (c)}        | 2.13                      | 1.43                      |
| <b>Unsecured</b>                                     |                           |                           |
| Non-Convertible Debentures {Note (d)}                | 3,055.01                  | 650.00                    |
| Term Loan from Banks                                 |                           |                           |
| Foreign Currency Loans {Note (e)}                    | 2,807.65                  | 2,958.18                  |
| Term Loan from others {Note (f)}                     | 11.07                     | -                         |
| Subsidised Government Loans {Note (g)}               | 273.13                    | 285.74                    |
| Preference Shares classified as Liability {Note (h)} | 56.22                     | -                         |
|                                                      | <b>40,793.44</b>          | <b>6,768.71</b>           |



# Notes

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## 2.24.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current

|                                      |                                                                                                                                                                                                                                  |                                                                                       | (₹ in Crore)              |                           |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Repayment Terms                      |                                                                                                                                                                                                                                  |                                                                                       | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Secured Long-Term Borrowings:</b> |                                                                                                                                                                                                                                  |                                                                                       |                           |                           |
| (a)                                  | <b>Non - Convertible Debentures (NCDs)</b>                                                                                                                                                                                       |                                                                                       |                           |                           |
| (a1i)                                | NCDs of NBFCs and NHFCs<br>Debentures Secured by way of mortgage on the immovable property and first pari-passu charge on current assets of the fellow-Subsidiary Companies:                                                     | Repayment Terms : Maturing after 3 years, Rate of Interest 7.26% to 10.25% p.a.       | 2,827.60                  | -                         |
|                                      |                                                                                                                                                                                                                                  | Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.28% to 9.49% p.a. | 7,128.13                  | -                         |
|                                      |                                                                                                                                                                                                                                  | Repayment Terms : Maturing within 1 year, Rate of Interest 7.45% to 9.63% p.a.        | 1,934.07                  | -                         |
| (a1ii)                               | Other NCDs                                                                                                                                                                                                                       |                                                                                       |                           |                           |
|                                      | 7.53% NCDs (Redeemable at par on 21st August, 2026)                                                                                                                                                                              |                                                                                       | 500.00                    | 500.00                    |
|                                      | 7.15% NCDs (Redeemable at par on 18th October, 2021)                                                                                                                                                                             |                                                                                       | 300.00                    | 300.00                    |
|                                      | 7.57% NCDs (Redeemable at par on 6th August, 2021)                                                                                                                                                                               |                                                                                       | 250.00                    | 250.00                    |
|                                      | 7.57% NCDs (Redeemable at par on 13th August, 2019)                                                                                                                                                                              |                                                                                       | 300.00                    | 300.00                    |
|                                      | 7.57% NCDs (Redeemable at par on 8th August, 2019)                                                                                                                                                                               |                                                                                       | 175.00                    | 175.00                    |
|                                      | 7.85% NCDs (Redeemable at par on 18th December, 2018)                                                                                                                                                                            |                                                                                       | 200.00                    | 200.00                    |
|                                      | 7.84% NCDs (Redeemable at par on 9th April, 2018)                                                                                                                                                                                |                                                                                       | 200.00                    | 200.00                    |
|                                      | 9.15% NCDs (Redeemable at par on 28th August, 2017)                                                                                                                                                                              |                                                                                       | -                         | 250.00                    |
|                                      |                                                                                                                                                                                                                                  |                                                                                       | 13,814.80                 | 2,175.00                  |
|                                      | Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)                                                                                                 |                                                                                       | 2,434.07                  | 250.00                    |
|                                      |                                                                                                                                                                                                                                  |                                                                                       | 11,380.73                 | 1,925.00                  |
|                                      | The NCDs are secured by way of first charge, having pari passu rights, on the Subsidiary's PPE (save and except stocks and book debts), both present and future, situated at certain locations, in favour of Debenture Trustees. |                                                                                       |                           |                           |

# Notes

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|        |                                                                                                                                                                                                                                   |                                                                                       | (₹ in Crore)              |        |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------|--------|
|        | Repayment Terms                                                                                                                                                                                                                   | As at<br>31st March, 2018                                                             | As at<br>31st March, 2017 |        |
| (b)    | <b>Term Loans from Banks</b>                                                                                                                                                                                                      |                                                                                       |                           |        |
| (b1)   | Rupee Term Loans                                                                                                                                                                                                                  |                                                                                       |                           |        |
| (b1i)  | Borrowings of NBFCs and NHFCs                                                                                                                                                                                                     |                                                                                       |                           |        |
|        | The term loan from banks are secured by way of first pari passu charge on the receivables of the respective Subsidiaries Company.                                                                                                 | Repayment Terms : Maturing after 3 years, Rate of Interest 7.57% to 8.45% p.a.        | 7,108.86                  | -      |
|        |                                                                                                                                                                                                                                   | Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.35% to 8.45% p.a. | 5,203.02                  | -      |
|        |                                                                                                                                                                                                                                   | Repayment Terms : Maturing within 1 year, Rate of Interest 7.40% to 8.35% p.a.        | 2,407.10                  | -      |
| (b1ii) | Other Borrowings:                                                                                                                                                                                                                 |                                                                                       |                           |        |
|        | Rupee Term Loan secured by first charge on the PPE, both present and future, of the Company located at Nagda (Staple Fibre and Chemical Divisions), Kharach (Staple Fibre Division) and Harihar (Staple Fibre and Pulp Divisions) | Quarterly ballooning repayment from April 2010, over 8 years                          | -                         | 39.38  |
|        | 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                          | 346.50                    | 549.00 |
|        | Rupee Term Loan secured by exclusive charge on certain specific PPE of Nagda (Staple Fibre Division)                                                                                                                              | Quarterly ballooning repayment from May 2016, over 5 years                            | 29.70                     | 33.93  |
|        | Rupee Term Loans are secured by first charge on movable and immovable PPE both present and future at Subsidiary's location                                                                                                        | Quarterly ballooning repayment over 7-10 years                                        |                           | 17.18  |
|        | State Bank of India                                                                                                                                                                                                               | 4 semi- annual instalments beginning from May 2022                                    | 300.00                    | 300.00 |
|        | HDFC Bank                                                                                                                                                                                                                         | Fully repaid in December 2017                                                         | -                         | 100.00 |
|        | Axis Bank Ltd.                                                                                                                                                                                                                    | 80 quarterly instalments beginning December 2022 ^                                    | 2,664.71                  | -      |
|        | ICICI Bank Ltd                                                                                                                                                                                                                    | 80 quarterly instalments beginning December 2022 ^                                    | 2,000.00                  | -      |
|        | HDFC Bank Ltd.                                                                                                                                                                                                                    | 80 quarterly instalments beginning September 2022 ^                                   | 3,317.92                  | -      |
|        | Axis Bank Ltd.                                                                                                                                                                                                                    | 80 quarterly instalments beginning September 2022 ^                                   | 592.37                    | -      |
|        | ICICI Bank Ltd.                                                                                                                                                                                                                   | 80 quarterly instalments beginning September 2022 ^                                   | 1,614.00                  | -      |

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|                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                    | (₹ in Crore)              |                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                                                                                                          | Repayment Terms                                                                                                                                                                                                                                                                    | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Term Loan secured by exclusive charge on the specific assets of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra                                                                                       | 10 half- yearly instalments from 29th July 2015.<br>First three instalments of ₹ 0.74 Crore each, next 3 instalments of ₹ 1.48 Crore each and next 4 instalments of ₹ 4.83 Crore each.                                                                                             | 19.32                     | -                         |
| Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Division Plant at Veraval and Textile Division plant at Rishra.                                     | 10 half yearly instalments from 30th June 2015.<br>First four instalments of ₹ 0.50 Crore each, next 2 instalments of ₹ 1.00 Crore each, next 2 instalments of ₹ 9.00 Crore each, next 1 instalment of ₹ 10.00 Crore and last instalment of ₹ 1.00 Crore.                          | 29.00                     | -                         |
| Term loan secured by way of first pari passu charge on existing and future movable fixed assets of the Indian Rayon Division Plant at Gujarat and Textile Division plant at West Bengal. The Charge to be shared with HDFC Bank and SBI. | 20 quarterly instalments from 3rd September 2016.<br>First four instalments of ₹ 0.56 Crore each, next 8 instalments of ₹ 1.12 Crore each, next 4 instalments of ₹ 1.35 Crore each, and last 4 instalments of ₹ 1.46 Crore each.                                                   | 16.83                     | -                         |
| Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra.                                     | 21 quarterly instalments from 19th December 2016.<br>1st four instalments of ₹ 0.32 Crore each, next four instalments of ₹ 0.39 Crore each, next four instalments of ₹ 0.47 Crore each, next four instalments of ₹ 0.63 Crore each and last five instalments of ₹ 1.70 Crore each. | 13.72                     | -                         |
| Term loan secured by way of first pari passu charge created by hypothecation of the entire movable fixed assets of the Company's Excel Fibre Division Plant at Kharach.                                                                  | 9 half yearly instalments from 1st April 2020. 1st Tranch of instalment of ₹ 6.90 Crore, 2nd Tranch of 8 instalments of ₹ 6.95 Crore each.                                                                                                                                         | 62.50                     | -                         |
|                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                    | 25,725.55                 | 1,039.49                  |
| Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)                                                                                                         |                                                                                                                                                                                                                                                                                    | 2,856.72                  | 350.53                    |
|                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                    | 22,868.83                 | 688.96                    |

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|      |                                                                                                                                                                                                                                                                                            |                                                                                                                           | (₹ in Crore)              |                           |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|      | Repayment Terms                                                                                                                                                                                                                                                                            |                                                                                                                           | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| (b2) | Term Loan from Banks in Foreign Currency                                                                                                                                                                                                                                                   |                                                                                                                           |                           |                           |
|      | HSBC Bank (Mauritius) Ltd., Mauritius (US Dollar 4.00 Crore; Previous Year 4.00 Crore)                                                                                                                                                                                                     | February 2019                                                                                                             | 260.71                    | 259.40                    |
|      | Sumitomo Mitsui Banking Corporation, Singapore (US Dollar: Nil; Previous Year 2.5)                                                                                                                                                                                                         | Fully repaid on 17th November, 2017                                                                                       | -                         | 162.12                    |
|      | J P Morgan Chase Bank N.A., Singapore* (US Dollar: 1.00 Crore; Previous Year: Nil)                                                                                                                                                                                                         | March 2023                                                                                                                | 65.18                     | -                         |
|      | J P Morgan Chase Bank N.A., Singapore* (US Dollar: 2.00 Crore; Previous Year: Nil)                                                                                                                                                                                                         | February 2023                                                                                                             | 130.35                    | -                         |
|      | J P Morgan Chase Bank N.A., Singapore* (US Dollar: 2.00 Crore; Previous Year: Nil)                                                                                                                                                                                                         | February 2023                                                                                                             | 130.35                    | -                         |
|      |                                                                                                                                                                                                                                                                                            |                                                                                                                           | 586.59                    | 421.52                    |
|      | Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)                                                                                                                                                           |                                                                                                                           | 260.71                    | 162.12                    |
|      |                                                                                                                                                                                                                                                                                            |                                                                                                                           | 325.88                    | 259.40                    |
|      | The foreign currency loans are secured by way of first charge, having pari passu rights, on the Subsidiary's movable and immovable assets (save and except stocks and book debts), both present and future, situated at certain locations, in favour of the Subsidiary's lenders/trustees. |                                                                                                                           |                           |                           |
| (b3) | Term Loan from Others                                                                                                                                                                                                                                                                      |                                                                                                                           |                           |                           |
|      | Loan taken against IT hardware by the Subsidiary Company                                                                                                                                                                                                                                   | between 1-16 quarterly instalments from 1st April, 2018 till January 2022 with interest ranging from 8.41% to 15.64% p.a. | 17.81                     | -                         |
|      | Less: Amount disclosed as current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)                                                                                                                                                           |                                                                                                                           | 5.02                      | -                         |
|      |                                                                                                                                                                                                                                                                                            |                                                                                                                           | 12.79                     | -                         |

\*The Group is in the process of creating security against these loans

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|      |                                                                                                                                                       |                                          | (₹ in Crore)              |                           |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------|---------------------------|
|      | Repayment Terms                                                                                                                                       |                                          | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| (c)  | <b>Long-Term Finance Lease Obligation</b>                                                                                                             |                                          |                           |                           |
|      | Repayable after 5 years from 1st August, 2015                                                                                                         |                                          |                           |                           |
|      | Repayable in 1-20 quarterly instalments                                                                                                               |                                          | 1.66                      | 2.01                      |
|      | Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st April 2018 till 1st January 2022 with interest ranging from 8.41% to 15.64% per annum |                                          | 3.23                      |                           |
|      | Lease obligation plus interest payable in 19 quarterly instalments                                                                                    |                                          | 0.23                      | -                         |
|      | Less: Amount disclosed as Current maturities of long-term debts under the head                                                                        |                                          |                           |                           |
|      | Other Current Financial Liabilities' (Note 2.33)                                                                                                      |                                          | 2.99                      | 0.58                      |
|      |                                                                                                                                                       |                                          | 2.13                      | 1.43                      |
|      | <b>Total Secured Borrowings (I)</b>                                                                                                                   |                                          | <b>34,590.36</b>          | <b>2,874.79</b>           |
|      | <b>Unsecured Long-Term Borrowings:</b>                                                                                                                |                                          |                           |                           |
| (d)  | <b>Debentures</b>                                                                                                                                     |                                          |                           |                           |
| (d1) | Non- Convertible Debentures (NCDs)                                                                                                                    |                                          |                           |                           |
|      | 9.00% 30th Series NCDs (Redeemable at par on 10th May, 2023)                                                                                          |                                          | 209.34                    | -                         |
|      | 6.93% NCDs (Redeemable at par on 25th November, 2021)                                                                                                 |                                          | 250.00                    | 250.00                    |
|      | 6.99% NCDs (Redeemable at par on 24th November, 2021)                                                                                                 |                                          | 400.00                    | 400.00                    |
|      | 8.68% 31st Series NCDs (Redeemable at par on 2nd February, 2020)                                                                                      |                                          | 305.35                    | -                         |
| (d2) | Sub Ordinate Debentures                                                                                                                               |                                          |                           |                           |
|      | Subordinate Debts - Debentures 8.25% to 10.60% p.a. (Redeemable from May 2019 to May 2027)                                                            |                                          | 1,890.32                  | -                         |
|      | Perpetual Debts 8.31% p.a. (Maturing in July 2027)                                                                                                    |                                          |                           |                           |
|      |                                                                                                                                                       |                                          | 3,055.01                  | 650.00                    |
| (e)  | <b>Term Loans from Banks in Foreign Currency</b>                                                                                                      |                                          |                           |                           |
|      | Mizuho Bank Ltd, Japan * (US Dollar: 3.00 Crore)                                                                                                      | ₹ 65.25 Crore each from 20th August 2019 | 194.07                    | -                         |



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|            |                                                                                                                                              | (₹ in Crore)                                                                                                                                                    |                           |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
|            | Repayment Terms                                                                                                                              | As at<br>31st March, 2018                                                                                                                                       | As at<br>31st March, 2017 |
|            | Export Development, Canada<br>(US Dollar: 4.64 Crore; Previous Year<br>4.64 Crore)                                                           | June 2021<br><br><b>302.60</b>                                                                                                                                  | <br><br>301.09            |
|            | Export Development, Canada<br>(US Dollar: 5.00 Crore; Previous Year<br>5.00 Crore)                                                           | May 2021<br><br><b>325.87</b>                                                                                                                                   | <br><br>324.25            |
|            | Mizuho Bank Limited, Singapore *<br>(US Dollar Nil; Previous Year 5.00<br>Crore)                                                             | Fully repaid on 22nd December,<br>2017<br><br>-                                                                                                                 | <br><br>324.25            |
|            | Bank of America NA, Taiwan (US<br>Dollar 2.50 Crore; Previous Year 5.00<br>Crore)                                                            | 3 equal annual instalments<br>beginning October 2016<br><br><b>162.94</b>                                                                                       | <br><br>324.25            |
|            | Standard Chartered Bank (US Dollar:<br>19.50 Crore; Previous Year 21.50 Crore)                                                               | July 2020<br><br><b>1,269.17</b>                                                                                                                                | <br><br>1,392.92          |
|            | Export Development, Canada (US<br>Dollars: 11.00 Crore; Previous Year<br>12.00 Crore)                                                        | Starting June 2020<br><br><b>715.94</b>                                                                                                                         | <br><br>777.80            |
|            |                                                                                                                                              | <b>2,970.59</b>                                                                                                                                                 | 3,444.56                  |
|            | Less: Amount disclosed as Current<br>maturities of long-term debts under<br>the head<br>'Other Current Financial Liabilities'<br>(Note 2.33) | <br><br><b>162.94</b>                                                                                                                                           | <br><br>486.38            |
|            |                                                                                                                                              | <b>2,807.65</b>                                                                                                                                                 | 2,958.18                  |
|            | * Mizuho Bank Limited was formerly known as Mizuho Corporate Bank Limited                                                                    |                                                                                                                                                                 |                           |
| <b>(f)</b> | <b>Term Loan from Others</b>                                                                                                                 |                                                                                                                                                                 |                           |
|            | Loan taken from Hewlett Packard<br>Financial Sales India Private Limited<br>against IT Hardware of the subsidiary                            | Between 1-16 Quarterly<br>Instalments from 1st April,<br>2018 till 1st January, 2022 with<br>interest ranging from 10.50% to<br>13.06% p.a.<br><br><b>15.37</b> | <br><br><br>-             |
|            | Less: Amount disclosed as Current<br>maturities of long-term debts under<br>the head<br>'Other Current Financial Liabilities'<br>(Note 2.33) | <br><br><b>4.30</b>                                                                                                                                             | <br><br>-                 |
| <b>(g)</b> | <b>Subsidised Government Loans</b>                                                                                                           |                                                                                                                                                                 |                           |
|            | Commercial Tax Department                                                                                                                    | Varied annual payments from<br>October 2012 to October 2026<br><br><b>221.29</b>                                                                                | <br><br>243.98            |
|            |                                                                                                                                              | Payable in FY2019<br><br><b>0.11</b>                                                                                                                            | <br><br>0.11              |
|            |                                                                                                                                              | Varied annual payments from<br>April 2012 to June 2018<br><br><b>4.02</b>                                                                                       | <br><br>4.02              |
|            |                                                                                                                                              | Repayable in six annual<br>instalments starting from 31st<br>May, 2012                                                                                          |                           |

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|     |                                                                                                                                                                                                                                    |                                                        | (₹ in Crore)              |                           |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------|---------------------------|
|     | Repayment Terms                                                                                                                                                                                                                    |                                                        | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|     | Industrial Investment Promotion Scheme - 2012 (At Amortised cost)                                                                                                                                                                  | Repayable on 27th March, 2022                          | 0.66                      | 0.60                      |
|     |                                                                                                                                                                                                                                    | Repayable on 7th August, 2023                          | 3.64                      | 3.33                      |
|     |                                                                                                                                                                                                                                    | Repayable on 25th December, 2023                       | 3.88                      | 3.55                      |
|     |                                                                                                                                                                                                                                    | Repayable on 29th October 2024                         | 4.67                      | -                         |
|     |                                                                                                                                                                                                                                    | Repayable on 30th November 2024                        | 0.27                      | -                         |
|     | Department of Industries and Commerce, Haryana                                                                                                                                                                                     | Varied annual payments from January 2017 to March 2022 | 64.26                     | 56.12                     |
|     |                                                                                                                                                                                                                                    |                                                        | 302.80                    | 322.60                    |
|     | Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)                                                                                                   |                                                        | 29.67                     | 36.86                     |
|     |                                                                                                                                                                                                                                    |                                                        | 273.13                    | 285.74                    |
| (h) | <b>Preference Shares issued by Subsidiaries</b><br>CCPS carry cumulative dividend @0.001% p.a.                                                                                                                                     |                                                        | 56.22                     | -                         |
|     | The CCPS so issued are convertible on the occurrence of the earlier of the two events, namely:                                                                                                                                     |                                                        |                           |                           |
|     | (i) at the option of the holder                                                                                                                                                                                                    |                                                        |                           |                           |
|     | (ii) on the occurrence of the mandatory conversion event                                                                                                                                                                           |                                                        |                           |                           |
|     | Optional Conversion : Each CCPS shall be convertible at the option of the holder thereof, at any time by a written notice into such number of Equity Shares, calculated in such manner as mentioned in the Shareholders agreement. |                                                        |                           |                           |
|     | Mandatory Conversion : All of the CCPS shall mandatorily be converted in such manner and into such number of fully paid-up Equity Shares as mentioned in the agreement, upon the occurrence of listing of the entity.              |                                                        |                           |                           |

# Notes

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|                                                                                                                                                                                 |                                        | (₹ in Crore)              |                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------|---------------------------|
| Repayment Terms                                                                                                                                                                 |                                        | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| In the event of liquidation before conversion of CCPS, the holders of the CCPS should be eligible for such claim, calculated in such manner as mentioned in the CCPS agreement. |                                        |                           |                           |
|                                                                                                                                                                                 |                                        | 56.22                     | -                         |
|                                                                                                                                                                                 | <b>Total Unsecured Borrowings (II)</b> | <b>6,203.08</b>           | <b>3,893.92</b>           |
|                                                                                                                                                                                 | <b>Total Borrowings (I + II)</b>       | <b>40,793.44</b>          | <b>6,768.71</b>           |
| The rate of interest on borrowings ranges from 5% to 11%                                                                                                                        |                                        |                           |                           |
| Foreign Currency Loans have been fully hedged for foreign exchange and interest rate fluctuation by way of Currency and Interest Rate                                           |                                        |                           |                           |
| Swaps and Long-term Forward contract.                                                                                                                                           |                                        |                           |                           |
| Effective cost has been calculated with hedged cost in terms of foreign currency loan, and net of interest subsidy in case of TUF Loans                                         |                                        |                           |                           |
| The above figures are as per Ind AS (including Mark to Market and Amortisation)                                                                                                 |                                        |                           |                           |

## 2.25 NON-CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

|                     |  | (₹ in Crore)              |                           |
|---------------------|--|---------------------------|---------------------------|
|                     |  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Others <sup>#</sup> |  | -                         | 8.70                      |
|                     |  | -                         | 8.70                      |

<sup>#</sup>This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 2.26 NON-CURRENT OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

|                                                  |  | (₹ in Crore)              |                           |
|--------------------------------------------------|--|---------------------------|---------------------------|
|                                                  |  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Security and Other Deposits                      |  | 8.04                      | 3.65                      |
| Derivative Liability at Fair Value               |  | 28.27                     | 31.15                     |
| Liability for Capital Goods                      |  | -                         | 0.01                      |
| Other Liabilities (Interest accrued but not due) |  | 158.23                    | -                         |
|                                                  |  | 194.54                    | 34.81                     |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 2.27 NON-CURRENT PROVISIONS

|                                                    | (₹ in Crore)              |                           |
|----------------------------------------------------|---------------------------|---------------------------|
|                                                    | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| For Employee Benefits                              | 286.86                    | 205.35                    |
| For Mine Restoration Expenditure {Note 2.35.1 (a)} | 129.59                    | 91.76                     |
| For Warranty Provision# {Note 2.35.1 (b)}          | 0.49                      | -                         |
|                                                    | 416.94                    | 297.11                    |

# includes Service Liability of ₹ 0.14 Crore (Previous year ₹ Nil)

## 2.28 DEFERRED TAX LIABILITIES (NET)

|                                                                            | (₹ in Crore)                 |                                              |                                                                          |                       |                           |                                                                      |                                  |                              |
|----------------------------------------------------------------------------|------------------------------|----------------------------------------------|--------------------------------------------------------------------------|-----------------------|---------------------------|----------------------------------------------------------------------|----------------------------------|------------------------------|
|                                                                            | As at<br>31st March,<br>2017 | Transferred<br>from ABNL<br>on its<br>Merger | Acquisition<br>of Rights<br>to manage<br>and Operate<br>Century<br>Rayon | Divestment<br>of GBTL | MAT<br>Credit<br>Utilised | Charge for the Current Year<br>Profit or<br>Loss/<br>Other<br>Equity | Other<br>Comprehensive<br>Income | As at<br>31st March,<br>2018 |
| <b>Deferred Tax Liabilities:</b>                                           |                              |                                              |                                                                          |                       |                           |                                                                      |                                  |                              |
| Accumulated Depreciation                                                   | 4,837.54                     | 465.49                                       | 1.94                                                                     | (12.29)               | -                         | 790.44                                                               | -                                | 6,083.12                     |
| Fair Valuation of Investments                                              | 253.78                       | -                                            | -                                                                        | -                     | -                         | ®(14.07)                                                             | 46.53                            | 286.24                       |
| Fair valuation of Land, Inventory<br>and Investments acquired on<br>Merger | -                            | 1,387.75                                     | 3.02                                                                     | -                     | -                         | (24.59)                                                              | 10.87                            | 1,273.79                     |
| Others                                                                     | 91.91                        | 5.94                                         | -                                                                        | -                     | -                         | (107.72)                                                             | 1.71                             | 95.10                        |
|                                                                            | 5,183.23                     | 1,859.18                                     | 4.96                                                                     | (12.29)               | -                         | 644.06                                                               | 59.11                            | 7,738.25                     |
| <b>Deferred Tax Assets:</b>                                                |                              |                                              |                                                                          |                       |                           |                                                                      |                                  |                              |
| Accrued Expenses Allowable on<br>Payment Basis                             | 16.04                        | 72.41                                        | -                                                                        | -                     | -                         | 35.19                                                                | (0.48)                           | 123.16                       |
| Expected Credit Loss Allowance                                             | -                            | 64.56                                        | -                                                                        | -                     | -                         | 7.80                                                                 | -                                | 72.36                        |
| Expenses Allowable in<br>Instalments in Income Tax                         | 21.13                        | 1.08                                         | -                                                                        | -                     | -                         | 54.85                                                                | -                                | 77.06                        |
| Provision for Contingencies<br>Allowable on Payment Basis                  | 168.91                       | 42.31                                        | -                                                                        | -                     | -                         | 17.08                                                                | -                                | 228.30                       |
| Unabsorbed Depreciation                                                    | 56.45                        | -                                            | -                                                                        | -                     | -                         | (55.35)                                                              | -                                | 1.10                         |
| Income Tax Interest offered for<br>tax, to be claimed in future            | 21.33                        | -                                            | -                                                                        | -                     | -                         | 0.21                                                                 | -                                | 21.54                        |
| MAT Credit Entitlement                                                     | 1,252.54                     | 58.56                                        | -                                                                        | -                     | (269.52)                  | 330.32                                                               | -                                | 1,371.90                     |
| Fair Valuation of Preference<br>Shares measured at FVTPL                   | 4.50                         | 75.72                                        | -                                                                        | -                     | -                         | (22.86)                                                              | -                                | 57.36                        |
| Fair Valuation of Borrowings<br>acquired on Merger                         | -                            | 7.50                                         | -                                                                        | -                     | -                         | (2.06)                                                               | -                                | 5.44                         |
| Others                                                                     | 103.51                       | 2.23                                         | -                                                                        | -                     | -                         | 52.97                                                                | 3.57                             | 162.28                       |
|                                                                            | 1,644.41                     | 324.37                                       | -                                                                        | -                     | (269.52)                  | 418.15                                                               | 3.09                             | 2,120.50                     |
| <b>Deferred Tax Liabilities (Net)</b>                                      | <b>3,538.82</b>              | <b>1,534.81</b>                              | <b>4.96</b>                                                              | <b>(12.29)</b>        | <b>269.52</b>             | <b>225.91</b>                                                        | <b>56.02</b>                     | <b>5,617.75</b>              |

® includes ₹ 11.53 Crore recognised directly in Other Equity.

2.28.1 Deferred Tax Liability (DTL) in respect of temporary differences related to undistributed earnings in subsidiaries has not been recognized, because the Company controls the dividend policy of its subsidiaries.

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 2.29 NON-CURRENT POLICYHOLDERS LIABILITY

|                                 | (₹ in Crore)              |                           |
|---------------------------------|---------------------------|---------------------------|
|                                 | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Insurance Contract Liabilities  | 25,406.59                 | -                         |
| Investment Contract Liabilities | 9,388.57                  | -                         |
|                                 | 34,795.16                 | -                         |

## 2.30 OTHER NON-CURRENT LIABILITIES

|                                        | (₹ in Crore)              |                           |
|----------------------------------------|---------------------------|---------------------------|
|                                        | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Other Creditors                        | 21.81                     | 22.21                     |
| Deferred Revenue from Government Grant | 11.51                     | 9.64                      |
| Deferred Government Subsidy            | 6.15                      | 0.78                      |
| Liability for Rent Straight Lining     | 7.52                      | -                         |
| Deferred Fees and Commission Income    | 4.47                      | -                         |
| Other Liabilities                      | 7.25                      | 2.97                      |
|                                        | 58.71                     | 35.60                     |

## 2.31 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Carried at Amortised Cost, except otherwise stated)

|                                                                               | (₹ in Crore)              |                           |
|-------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Secured:</b>                                                               |                           |                           |
| Loans repayable on demand - Cash credits/Working capital Borrowings           |                           |                           |
| From Banks (secured by hypothecation of stocks and book debts of the Company) | 5,339.03                  | 135.54                    |
| Documentary Demand Bills/Usance Bills under Letter of Credit discounted       | 19.51                     | -                         |
| <b>Unsecured:</b>                                                             |                           |                           |
| Loans repayable on demand - Cash credits/Working Capital Borrowings           |                           |                           |
| From Banks (includes Commercial Papers)                                       | 2,473.65                  | 1,022.31                  |
| From Others (Commercial Papers*)                                              | 11,687.67                 | -                         |
| Documentary Demand Bills/Usance Bills under Letter of Credit discounted       | -                         | -                         |
| Redeemable Preference Shares issued on Business Combination                   | 1,000.09                  | -                         |
|                                                                               | 20,519.95                 | 1,157.85                  |

\* Commercial papers are shown net of unamortised discounting charge of ₹ 140.31 Crore.



# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 2.32 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

|                                                   | (₹ in Crore)              |                           |
|---------------------------------------------------|---------------------------|---------------------------|
|                                                   | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Due to Related Parties (Note 4.8.2)               | 241.11                    | 175.32                    |
| Due to Micro and Small Enterprises (Note 4.4.2) # | 18.61                     | 5.11                      |
| Others                                            | 5,002.69                  | 2,867.76                  |
|                                                   | <b>5,262.41</b>           | <b>3,048.19</b>           |

# This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 2.33 CURRENT - OTHER FINANCIAL LIABILITIES

(Carried at Amortised cost, except otherwise stated)

|                                                                                               | (₹ in Crore)              |                           |
|-----------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Current Maturities of Long-Term Debts (Note 2.24.1)                                           | 5,753.43                  | 1,285.89                  |
| Current Maturities of Finance Lease Obligation (Note 2.24.1)                                  | 2.99                      | 0.58                      |
| Interest Accrued but not Due on Borrowings                                                    | 944.85                    | 149.27                    |
| Unclaimed Dividends (Amount Transferable to Investor Education and Protection Fund, when due) | 23.92                     | 25.45                     |
| Security and Other Deposits (Trade Deposits)                                                  | 1,120.43                  | 823.75                    |
| Liability for Capital Goods                                                                   | 316.74                    | 150.10                    |
| Derivative Liability - Carried at Fair Value                                                  | 28.13                     | 11.15                     |
| Book Over Draft                                                                               | 133.70                    | -                         |
| Due to Life Insurance Policyholders                                                           | 465.63                    | -                         |
| Other Payables (including Retention Money, Liquidated Damages, etc.)                          | 286.18                    | 204.76                    |
|                                                                                               | <b>9,076.00</b>           | <b>2,650.95</b>           |

## 2.34 OTHER CURRENT LIABILITIES

|                                        | (₹ in Crore)              |                           |
|----------------------------------------|---------------------------|---------------------------|
|                                        | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Statutory Liabilities                  | 1,325.57                  | 1,045.86                  |
| Security and Other Deposits            | 266.34                    | 971.92                    |
| Advance from Customers                 | 591.60                    | 254.39                    |
| Liability for Rent Straight Lining     | 0.42                      | -                         |
| Deferred Revenue from Government Grant | 1.32                      | 0.87                      |
| Other Payables                         | 2,018.25                  | 733.52                    |
|                                        | <b>4,203.50</b>           | <b>3,006.56</b>           |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 2.35 CURRENT PROVISIONS

|                                                                | (₹ in Crore)              |                           |
|----------------------------------------------------------------|---------------------------|---------------------------|
|                                                                | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| For Employee Benefits (Gratuity, Leave Encashment and Pension) | 298.75                    | 121.40                    |
| For Assets Transfer Cost {Note 2.35.1 (c)}                     | 505.68                    | 205.65                    |
| For Warranty Provision# {Note 2.35.1 (b)}                      | 1.43                      | -                         |
| For Provision against Contingent Liability {Note 2.35.1 (d)}   | 95.34                     | -                         |
|                                                                | 901.20                    | 327.06                    |

# includes Service Liability of ₹ 0.01 Crore (Previous Year ₹ Nil)

### 2.35.1 Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset"

#### (a) Provision for Mine Restoration Expenditure\*

|                                                          | (₹ in Crore)              |                           |
|----------------------------------------------------------|---------------------------|---------------------------|
|                                                          | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Opening Balance                                          | 91.76                     | 83.87                     |
| Add: Provision during the year                           | 30.53                     | -                         |
| Add: Unwinding of discount on Mine Restoration Provision | 7.30                      | 7.89                      |
| <b>Closing Balance (consider as Non-Current)</b>         | <b>129.59</b>             | <b>91.76</b>              |

\* Provision is recognised for an obligation for restoration and rehabilitation on closure of the mines.

#### (b) Warranty (including Service Liability#)\*

|                                                        | (₹ in Crore)              |                           |
|--------------------------------------------------------|---------------------------|---------------------------|
|                                                        | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Opening Balance (Acquired on merger of erstwhile ABNL) | 1.92                      | -                         |
| Add: Provision during the year                         | -                         | -                         |
| Less: Utilisation during the year                      | -                         | -                         |
| <b>Closing Balance</b>                                 | <b>1.92</b>               | <b>-</b>                  |
| Current                                                | 1.43                      | -                         |
| Non Current                                            | 0.49                      | -                         |

\* Provision is recognised for expected warranty claims on product sold during the last three years based on the past experience of level of returns and replacements.

# Provision for Service Liability is recognised for the future services which are offered by one of the subsidiary to be provided to the Subscribers. It is recognised on the basis of cost to be incurred over the customer life cycle as estimated by the Management.

# Notes

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## (c) Provision for Assets Transfer Cost

|                                                  | (₹ in Crore)              |                           |
|--------------------------------------------------|---------------------------|---------------------------|
|                                                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Opening Balance                                  | 205.65                    | 222.12                    |
| Add: Provision during the year *                 | 439.87                    | -                         |
| Less: Utilisation during the year                | 115.06                    | 16.47                     |
| Less: Unused amount reversed                     | 24.78                     | -                         |
| <b>Closing Balance (consider as Non-Current)</b> | <b>505.68</b>             | <b>205.65</b>             |

\* During current year, provision for asset transfer cost relates to merger of ABNL and acquisition of JAL&JCCL, which 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 ABNL/JAL&JCCL in the name of the Company.

## (d) Provision against Contingent Liability\*

|                                                              | (₹ in Crore)              |                           |
|--------------------------------------------------------------|---------------------------|---------------------------|
|                                                              | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Opening Balance                                              | -                         | -                         |
| Add: Provision during the year (on merger of erstwhile ABNL) | 95.34                     | -                         |
| Less: Utilisation during the year                            | -                         | -                         |
| Less: Unused Amount Reversed                                 | -                         | -                         |
| <b>Closing Balance (consider as current)</b>                 | <b>95.34</b>              | <b>-</b>                  |

\* During current year, as per Ind AS 103 (Business Combination) the Group has to recognise, on the acquisition date, the contingent liability assumed in a business combination if it is a present obligation that arises from past events and its fair value can be measured reliably, even if it is not probable that an outflow of resources will be required to settle the obligation.

## 2.36 CURRENT - POLICYHOLDER'S LIABILITIES

|                                                                        | (₹ in Crore)              |                           |
|------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                        | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Insurance Contract Liabilities                                         | 1,394.42                  | -                         |
| Investment Contract Liabilities                                        | 183.25                    | -                         |
| Participating Policyholders liability for profit/(loss) on Investments | 0.52                      | -                         |
|                                                                        | <b>1,578.19</b>           | <b>-</b>                  |

# Notes

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## 2.37 MATERIAL PARTLY-OWNED SUBSIDIARIES

(1) Financial information of subsidiaries that have material non-controlling interest is provided below

### (A) UltraTech Cement Limited

|                                                                                 | (₹ in Crore)              |                           |
|---------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                 | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Proportion of interest held by non-controlling entities as at                   | 39.79%                    | 39.77%                    |
| Accumulated balances of material non-controlling interest                       | 10,490.18                 | 9,701.93                  |
| <b>Summarised Financial Information for the Balance Sheet</b>                   |                           |                           |
| Current Assets                                                                  | 11,468.46                 | 13,325.57                 |
| Non-current Assets                                                              | 45,689.21                 | 28,893.23                 |
| Current Liabilities                                                             | 11,338.91                 | 8,328.61                  |
| Non-current Liabilities                                                         | 19,421.58                 | 9,488.69                  |
| Dividend paid to Non-controlling Interest<br>(including Corporate Dividend Tax) | 131.47                    | 123.64                    |

|                                                                              | (₹ in Crore)                   |                                |
|------------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                              | Year Ended<br>31st March, 2018 | Year Ended<br>31st March, 2017 |
| Profit/(loss) allocated to material non-controlling interest:                | 884.20                         | 1,078.31                       |
| <b>Summarised Financial information for the Statement of Profit and Loss</b> |                                |                                |
| Revenue from Operations                                                      | 32,304.63                      | 28,645.93                      |
| Profit for the year                                                          | 2,224.46                       | 2,713.51                       |
| Other Comprehensive Income                                                   | 45.68                          | 30.04                          |
| Total Comprehensive Income                                                   | 2,270.14                       | 2,743.55                       |
| <b>Summarised Financial information for Cash Flows</b>                       |                                |                                |
| Net Cash inflows from Operating Activities                                   | 3,887.42                       | 5,005.02                       |
| Net Cash inflows from Investing Activities                                   | 1,857.02                       | (2,480.31)                     |
| Net Cash inflows Financing Activities                                        | (5,730.20)                     | (2,534.98)                     |
| Net Cash inflow (Outflow)                                                    | 14.24                          | (10.27)                        |

### (B) Aditya Birla Capital Limited

|                                                               | (₹ in Crore)              |
|---------------------------------------------------------------|---------------------------|
|                                                               | As at<br>31st March, 2018 |
| Proportion of interest held by Non-controlling entities as at | 44.01%                    |
| Accumulated balances of material non-controlling interest     | 13,567.36                 |
| <b>Summarised Financial information for the Balance Sheet</b> |                           |
| Current Assets                                                | 20,585.85                 |
| Non-Current Assets                                            | 97,156.49                 |
| Current Liabilities                                           | 24,784.04                 |
| Non-Current Liabilities                                       | 59,782.55                 |

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|                                                                              | (₹ in Crore)                          |
|------------------------------------------------------------------------------|---------------------------------------|
|                                                                              | 1st July, 2017 to<br>31st March, 2018 |
| Profit/(loss) allocated to material non-controlling interest:                | 182.19                                |
| <b>Summarised Financial information for the Statement of Profit and Loss</b> |                                       |
| Revenue from Operations                                                      | 8,952.57                              |
| Profit for the year                                                          | 354.34                                |
| Other Comprehensive Income                                                   | (178.14)                              |
| Total Comprehensive Income                                                   | 176.20                                |
| <b>Summarised Financial information for Cash Flows</b>                       |                                       |
| Net Cash inflows from Operating activities                                   | (7,968.37)                            |
| Net Cash inflows from Investing Activities                                   | (1,594.44)                            |
| Net Cash inflows Financing Activities                                        | 9,388.44                              |
| Net Cash inflow (outflow)                                                    | (174.37)                              |

The information above is the amount before inter-company eliminations.

## 2.38 INTEREST IN JOINT VENTURES AND ASSOCIATES

Below are the Associate and Joint venture of the Group which, in the opinion of the Management are material to the Group which have been accounted as per equity method of accounting.

### (A) IDEA Cellular Limited

|                           |                                   |                                     |                              | (₹ in Crore)                 |                              |
|---------------------------|-----------------------------------|-------------------------------------|------------------------------|------------------------------|------------------------------|
| (1)<br>Name of the Entity | Principal<br>Place of<br>Business | Proportion of<br>Ownership Interest |                              | Quoted Fair Value            |                              |
|                           |                                   | As at<br>31st March,<br>2018        | As at<br>31st March,<br>2017 | As at<br>31st March,<br>2018 | As at<br>31st March,<br>2017 |
|                           |                                   |                                     |                              |                              |                              |
| IDEA Cellular Limited     | India                             | 23.13%                              | 4.74%                        | 7,654.82                     | 1,465.59                     |

IDEA Cellular Limited (IDEA) is the third largest wireless operator in India. IDEA is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

### (2) Summarised Financial information of material Joint Venture and Associate

#### (a) Summarised Balance Sheet as per books (stake of 3.92% in the Current Year, Previous Year 4.74%)

|                                                  | (₹ in Crore)              |                           |
|--------------------------------------------------|---------------------------|---------------------------|
|                                                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Cash and Cash Equivalents                        | 19.32                     | 78.25                     |
| Other Assets                                     | 10,215.24                 | 7,554.28                  |
| Total Current Assets                             | 10,234.56                 | 7,632.53                  |
| Total Non- Current Assets                        | 88,342.61                 | 89,072.17                 |
| Current Liabilities                              |                           |                           |
| Financial Liabilities (Excluding Trade Payables) | 4,403.70                  | 10,290.72                 |
| Other Liabilities                                | 6,427.23                  | 6,770.74                  |
| Total Current Liabilities                        | 10,830.93                 | 17,061.46                 |



# Notes

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|                                                  | (₹ in Crore)              |                           |
|--------------------------------------------------|---------------------------|---------------------------|
|                                                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Non-Current Liabilities</b>                   |                           |                           |
| Financial Liabilities (Excluding Trade Payables) | 59,546.97                 | 52,676.01                 |
| Other Liabilities                                | 936.80                    | 2,234.98                  |
| <b>Total Non- Current Liabilities</b>            | <b>60,483.77</b>          | <b>54,910.99</b>          |
| <b>Net Assets (excluding ESOP Reserve)</b>       | <b>27,182.26</b>          | <b>24,598.11</b>          |
| <b>Group Share in%</b>                           | <b>3.92%</b>              | <b>4.74%</b>              |
| <b>Group Share in INR</b>                        | <b>1,065.37</b>           | <b>1,166.07</b>           |
| <b>Goodwill</b>                                  | <b>-</b>                  | <b>-</b>                  |
| <b>Carrying Amount</b>                           | <b>1,065.37</b>           | <b>1,166.07</b>           |

(a1) Summarised Balance Sheet as per fair value (additional stake of 19.21% in Current year post Merger with erstwhile ABNL w.e.f. 1st July, 2017)

|                                                  | (₹ in Crore)              |
|--------------------------------------------------|---------------------------|
| Particulars                                      | As at<br>31st March, 2018 |
| Cash and Cash Equivalents                        | 19.32                     |
| Other Assets                                     | 10,295.73                 |
| <b>Total Current Assets</b>                      | <b>10,315.05</b>          |
| <b>Total Non-Current Assets</b>                  | <b>98,168.52</b>          |
| <b>Current Liabilities</b>                       |                           |
| Financial Liabilities (Excluding Trade Payables) | 4,436.40                  |
| Other Liabilities                                | 12,789.13                 |
| <b>Total Current Liabilities</b>                 | <b>17,225.53</b>          |
| <b>Non-Current Liabilities</b>                   |                           |
| Financial Liabilities (Excluding Trade Payables) | 62,673.91                 |
| Other Liabilities                                | 1,071.13                  |
| <b>Total Non-Current Liabilities</b>             | <b>63,745.04</b>          |
| <b>Net Assets (excluding ESOP Reserve)</b>       | <b>27,432.80</b>          |
| <b>Group Share in %</b>                          | <b>19.21%</b>             |
| <b>Group Share in INR</b>                        | <b>5,341.36</b>           |
| <b>Goodwill</b>                                  | <b>1,254.29</b>           |
| <b>Carrying Amount</b>                           | <b>6,595.65</b>           |

# Notes

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## (b) Summarised Statement of Profit and Loss (stake of 3.92% in the Current Year, Previous Year 4.74%)

| Particulars                                                                  | (₹ in Crore)                   |                                |
|------------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                              | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
| <b>Summarised Financial information for the Statement of Profit and Loss</b> |                                |                                |
| Revenue from Operations                                                      | 28,278.94                      | 35,575.74                      |
| Depreciation and Amortisation                                                | 8,409.10                       | 7,827.20                       |
| Interest Expense                                                             | 4,812.97                       | 3,979.44                       |
| Income Tax Expense                                                           | (2,331.07)                     | (463.54)                       |
| Profit/(Loss) for the Year                                                   | (4,168.16)                     | (399.70)                       |
| Other Comprehensive Income                                                   | 28.27                          | (4.33)                         |
| Total Comprehensive Income                                                   | (4,139.89)                     | (404.03)                       |
| Group Share                                                                  | (100.70)                       | (19.16)                        |
| Dividend Received                                                            | -                              | 10.26                          |

## (b1) Summarised Statement of Profit and Loss as per fair value (additional stake of 19.21% in Current year post Merger with erstwhile ABNL w.e.f. 1st July, 2017)

| Particulars                                                                  | (₹ in Crore)                          |  |
|------------------------------------------------------------------------------|---------------------------------------|--|
|                                                                              | 1st July, 2017 to<br>31st March, 2018 |  |
| <b>Summarised Financial information for the Statement of Profit and Loss</b> |                                       |  |
| Revenue from Operations                                                      | 20,112.46                             |  |
| Depreciation and Amortisation                                                | 6,571.51                              |  |
| Interest Expense                                                             | 3,160.79                              |  |
| Income Tax Expense                                                           | (1,779.59)                            |  |
| Profit/(Loss) for the Year                                                   | (3,168.50)                            |  |
| Other Comprehensive Income                                                   | 29.26                                 |  |
| Total Comprehensive Income                                                   | (3,139.24)                            |  |
| Group Share                                                                  | (544.26)                              |  |

## (B) Aditya Birla Sun Life AMC Limited (Formerly know as Birla Sun Life Asset Management Company Limited)

| (1)<br>Name of the Entity                                                                                  | Principal Place of<br>Business | (₹ in Crore)                        |                           |
|------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------|---------------------------|
|                                                                                                            |                                | Proportion of<br>Ownership Interest | Quoted Fair Value         |
|                                                                                                            |                                | As at<br>31st March, 2018           | As at<br>31st March, 2018 |
| Aditya Birla Sun Life AMC Limited<br>(formerly know as Birla Sun Life Asset<br>Management Company Limited) | India                          | 51.00%                              | *                         |

\* Unlisted Equity - no quoted price available

Aditya Birla Sun Life AMC Limited (the "Company" formerly known as Birla Sun Life Asset Management Company Limited) was incorporated on 5th September, 1994. The Company is a joint venture between the Aditya Birla Group and Sun Life Financial, Inc. The share capital of the Company is owned by Aditya Birla Capital Limited (Subsidiary of Grasim Industries Limited) - and Sun Life (India) AMC Investments Inc., ( wholly owned subsidiary of Sun Life Financial, Inc.).

# Notes

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The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996, and the principal activity is to act as an Investment Manager to Aditya Birla Sun Life Mutual Fund. The Company manages the investment portfolios of Aditya Birla Sun Life Mutual Fund, India Advantage Fund Ltd, Mauritius, India Excel (Mauritius) Fund and Aditya Birla Real Estate Fund. The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993, and provides portfolio management services and investment advisory services to offshore funds and high net worth investors. Aditya Birla Sun Life AMC Limited has set-up two Alternate Investment Fund (AIF) one under Category III & other under Category II with Securities Exchange Board of India (SEBI) under the SEBI AIF Regulations, 2012. Aditya Birla Sun Life AMC Limited has been appointed as an Investment Manager of the said AIF by the Trustee to the Fund.

## (2) (a) Summarised Balance Sheet

|                                                                           | (₹ in Crore)            |
|---------------------------------------------------------------------------|-------------------------|
| <b>Aditya Birla Sun Life AMC Limited</b>                                  | <b>As at</b>            |
| <b>(Formerly know as Birla Sun Life Asset Management Company Limited)</b> | <b>31st March, 2018</b> |
| <b>Current Assets</b>                                                     |                         |
| Cash and Cash Equivalents                                                 | 44.03                   |
| Other Assets                                                              | 996.18                  |
| <b>Total Current Assets</b>                                               | <b>1,040.21</b>         |
| <b>Total Non-Current Assets</b>                                           | <b>7,524.02</b>         |
| <b>Current Liabilities</b>                                                |                         |
| Financial Liabilities (Excluding Trade Payables)                          | 1.14                    |
| Other Liabilities                                                         | 292.91                  |
| <b>Total Current Liabilities</b>                                          | <b>294.04</b>           |
| <b>Non-Current Liabilities</b>                                            |                         |
| Financial Liabilities (Excluding trade payables)                          | -                       |
| Other Liabilities                                                         | 2,491.79                |
| <b>Total Non- Current Liabilities</b>                                     | <b>2,491.79</b>         |
| <b>Less: ESOP Issued by Aditya Birla Capital Limited</b>                  | <b>(4.30)</b>           |
| <b>Net Assets ( including ESOP Liability)</b>                             | <b>5,774.10</b>         |
| <b>Group Share in %</b>                                                   | <b>51.00%</b>           |
| <b>Group Share in INR</b>                                                 | <b>2,944.79</b>         |
| <b>ESOPs Issued by Aditya Birla Capital Limited</b>                       | <b>4.30</b>             |
| <b>Goodwill</b>                                                           | <b>1,929.18</b>         |
| <b>Carrying Amount</b>                                                    | <b>4,878.27</b>         |

## (b) Summerised Statement of Profit and Loss

|                                                                           | (₹ in Crore)            |
|---------------------------------------------------------------------------|-------------------------|
| <b>Aditya Birla Sun Life AMC Limited</b>                                  | <b>Period ended</b>     |
| <b>(formerly know as Birla Sun Life Asset Management Company Limited)</b> | <b>31st March, 2018</b> |
| <b>Revenue from Operation</b>                                             | <b>1,029.41</b>         |
| <b>Depreciation and Amortisation</b>                                      | <b>32.71</b>            |
| <b>Interest Expense</b>                                                   | <b>-</b>                |
| <b>Income tax expense</b>                                                 | <b>124.95</b>           |
| <b>Profit from Continuing Operations</b>                                  | <b>254.42</b>           |
| <b>Profit from Discontinued Operations</b>                                | <b>-</b>                |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                                                            |  | (₹ in Crore)            |
|----------------------------------------------------------------------------|--|-------------------------|
| <b>Aditya Birla Sun Life AMC Limited</b>                                   |  | <b>Period ended</b>     |
| <b>(formerly known as Birla Sun Life Asset Management Company Limited)</b> |  | <b>31st March, 2018</b> |
| Profit for the Period                                                      |  | <b>254.42</b>           |
| Group Share                                                                |  | <b>129.75</b>           |
| Other Comprehensive Income                                                 |  | <b>0.25</b>             |
| Group Share                                                                |  | <b>0.13</b>             |
| Total Comprehensive Income                                                 |  | <b>254.67</b>           |
| Group Share                                                                |  | <b>129.88</b>           |
| Dividend Received                                                          |  | <b>101.90</b>           |

## (C) Commitments and Contingent liabilities in respect of Joint Ventures and Associates

|                                                                                                                |                  | (₹ in Crore)     |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Particulars                                                                                                    | As at            | As at            |
|                                                                                                                | 31st March, 2018 | 31st March, 2017 |
| Group share in Commitments in respect of Joint Ventures and Associates not being included in Note 4.6          | <b>736.91</b>    | 195.00           |
| Group share in Contingent Liability in respect of Joint Ventures and Associates not being included in Note 4.5 | <b>2,535.85</b>  | 768.86           |

## (D) Individually immaterial Joint Ventures and Associates

- (1) The group also has interest in number of individually immaterial joint ventures and associate that are accounted for using equity method of accounting. Below is the combined financial information with respect to those entities:

|                                                                     |                  | (₹ in Crore)     |
|---------------------------------------------------------------------|------------------|------------------|
| Particulars                                                         | As at            | As at            |
|                                                                     | 31st March, 2018 | 31st March, 2017 |
| Aggregate Carrying Amount of individually immaterial Associates     | <b>159.92</b>    | 11.74            |
| Aggregate Carrying Amount of individually immaterial Joint ventures | <b>1,233.47</b>  | 978.48           |

|                                           |                  | (₹ in Crore)     |
|-------------------------------------------|------------------|------------------|
| Particulars                               | Year ended       | Year ended       |
|                                           | 31st March, 2018 | 31st March, 2017 |
| Aggregate amount of Group share of:       |                  |                  |
| <b>Joint Ventures:</b>                    |                  |                  |
| Profit/(loss) from Continuing Operations  | <b>129.81</b>    | 148.20           |
| Other Comprehensive Income                | <b>57.72</b>     | (75.21)          |
| Total Comprehensive Income                | <b>187.53</b>    | 72.99            |
| <b>Associates:</b>                        |                  |                  |
| Profit/ (loss) from Continuing Operations | <b>(90.24)</b>   | (18.80)          |
| Other Comprehensive Income                | <b>0.69</b>      | (0.32)           |
| Total Comprehensive Income                | <b>(89.55)</b>   | (19.12)          |

# Notes

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## (2) Unrecognised share of Profit/(losses) of a Joint Venture as per Ind AS 112

| Particulars                                                | (₹ in Crore)                   |                                |
|------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                            | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
| Unrecognised Share of Profit/(loss) for the Year           | 5.45                           | (10.96)                        |
| Unrecognised Share Other Comprehensive Income for the Year | (1.79)                         | (7.66)                         |
| Cumulative Share of Loss                                   | (26.50)                        | (30.72)                        |
| Cumulative Share of Other Comprehensive Income             | (3.58)                         | (1.70)                         |

(3) Group holds either directly or through its subsidiary, more than half of the equity share holding in the following entities. However, as per the shareholders' agreement/statute, Group needs to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence, the same are being accounted as per equity method of accounting.

- a) Birla Sun Life Asset Management Company Limited
- b) Birla Sun Life Trustee Company Private Limited
- c) Aditya Birla Renewables Limited
- d) Aditya Birla Solar Limited
- e) Aditya Birla Wellness Limited
- f) Aditya Birla Idea Payments Bank Limited



# Notes

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## 3.1 SALE OF PRODUCTS AND SERVICES (GROSS) (Note 4.7.1)

|                                                                                              | (₹ in Crore) |               |
|----------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                              | Current Year | Previous Year |
| <b>Sale of Products</b>                                                                      |              |               |
| Manufactured                                                                                 | 47,729.51    | 39,761.41     |
| <b>Sale of Services</b>                                                                      |              |               |
| Insurance Premium                                                                            | 4,371.73     |               |
| Interest Income                                                                              | 3,380.83     |               |
| Other Financial Services                                                                     | 738.04       |               |
| Other Services                                                                               | 55.32        | 45.64         |
|                                                                                              | 8,545.92     | 45.64         |
| <b>Investment Income of NBFC, HFC and Investment Entities</b>                                |              |               |
| Interest Income-Instrument held at Amortised Cost                                            | 10.17        |               |
| Dividend Income on Fair Value through Profit and Loss                                        | 0.86         |               |
| Net Gain/(Loss) on Sale of Investment held at fair Value through Profit and Loss Instruments | 27.84        |               |
| Mark to Market Gain/(Loss)                                                                   | (50.47)      |               |
|                                                                                              | (11.60)      | -             |
|                                                                                              | 56,263.83    | 39,807.05     |

## 3.2 OTHER OPERATING REVENUES

|                                                                         | (₹ in Crore)     |                  |
|-------------------------------------------------------------------------|------------------|------------------|
|                                                                         | Current Year     | Previous Year    |
| Export Incentives                                                       | 63.54            | 52.54            |
| Insurance Claims                                                        | 29.21            | 31.57            |
| Interest Income on Loans against Policies at Amortised Cost             | 8.67             | -                |
| Investment Income on Insurance Policyholders' Fund                      |                  |                  |
| Income on financial instruments at FVTPL                                |                  |                  |
| Interest and Dividend                                                   | 12.21            | -                |
| Profit/(loss) on Sale of Investments                                    | 77.58            | -                |
| Fair value Gain/(Loss)                                                  | 46.17            | -                |
| Income on financial instruments at FVTOCI                               |                  |                  |
| Interest and Dividend                                                   | 169.79           | -                |
| Profit/(loss) on Sale of Investments                                    | 0.10             | -                |
| Income on financial instruments at amortised Cost                       |                  |                  |
| Interest and Dividend                                                   | 282.00           | -                |
| Profit/(loss) on Sale of Investments                                    | 0.05             | -                |
| Sundry Balances Written Back (Net)                                      | 26.21            | 46.68            |
| Rent Income                                                             | 3.15             | 3.26             |
| Scrap Sales (Net)                                                       | 109.10           | 88.24            |
| Other Miscellaneous Income (Insurance Claim, Sales Tax Incentive, etc.) | 401.24           | 217.83           |
|                                                                         | 1,229.02         | 440.12           |
| <b>Revenue from Operations (3.1 + 3.2)</b>                              | <b>57,492.85</b> | <b>40,247.17</b> |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 3.3 OTHER INCOME

|                                                                                                     | (₹ in Crore)  |               |
|-----------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                     | Current Year  | Previous Year |
| <b>Interest Income on:</b>                                                                          |               |               |
| Investments (measured at FVTOCI)                                                                    | 163.58        | 35.64         |
| Bank Accounts and Others (measured at Amortised Cost)                                               | 69.67         | 139.55        |
| <b>Dividend Income from:</b>                                                                        |               |               |
| Non-Current Investments (measured at FVTOCI)                                                        | 18.61         | 14.41         |
| Investments - Mutual Funds (measured at FVTPL)                                                      | 40.03         | 12.74         |
| <b>Profit on Sale of:</b>                                                                           |               |               |
| Investments (Net) - Mutual Funds (measured at FVTPL)                                                | 150.21        | 91.58         |
| <b>Gain on Fair Valuation of:</b>                                                                   |               |               |
| Investments measured at FVTPL                                                                       | 386.96        | 498.67        |
| Other Non-Operating Income [includes reversal of provision related to earlier year (Note 4.4.8(a))] | 161.17        | 155.17        |
|                                                                                                     | <b>990.23</b> | <b>947.76</b> |

## 3.4 COST OF MATERIALS CONSUMED

|                                         | (₹ in Crore)     |                 |
|-----------------------------------------|------------------|-----------------|
|                                         | Current Year     | Previous Year   |
| Opening Stock                           | 1,457.78         | 1,311.66        |
| Add : Purchases and Incidental Expenses | 12,138.50        | 8,839.26        |
| Less : Sales                            | 19.57            | 4.29            |
| Less : Closing Stock                    | 1,941.34         | 1,457.78        |
|                                         | <b>11,635.37</b> | <b>8,688.85</b> |

## 3.5 PURCHASES OF STOCK-IN-TRADE

|                | (₹ in Crore)    |               |
|----------------|-----------------|---------------|
|                | Current Year    | Previous Year |
| Finished Goods | 1,060.23        | 624.41        |
|                | <b>1,060.23</b> | <b>624.41</b> |

## 3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

|                                                                           | (₹ in Crore) |               |
|---------------------------------------------------------------------------|--------------|---------------|
|                                                                           | Current Year | Previous Year |
| <b>Opening Stock</b>                                                      |              |               |
| Finished Goods                                                            | 697.73       | 783.12        |
| Stock-in-Trade                                                            | 24.54        | 29.44         |
| Work-in-Progress                                                          | 491.08       | 561.28        |
| Waste/Scrap                                                               | 4.27         | 4.89          |
| Less : Effect of Loss of Control in a Subsidiary                          | (2.49)       | -             |
| Add : Stock Transfer from erstwhile ABNL pursuant to the Scheme of Merger | 353.60       | -             |

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|                                                                               | (₹ in Crore) |               |
|-------------------------------------------------------------------------------|--------------|---------------|
|                                                                               | Current Year | Previous Year |
| Add : Stock Transfer from Century Rayon pursuant to the Scheme of Arrangement | 61.00        | -             |
| Add : Stock Transfer from JAL and JCCL pursuant to the Scheme of Arrangement  | 66.79        | -             |
|                                                                               | 1,696.52     | 1,378.73      |
| <b>Less : Closing Stock</b>                                                   |              |               |
| Finished Goods                                                                | 783.81       | 697.73        |
| Stock-in-Trade                                                                | 35.25        | 24.54         |
| Work-in-Progress                                                              | 775.09       | 491.08        |
| Waste/Scrap                                                                   | 5.50         | 4.27          |
|                                                                               | 1,599.65     | 1,217.62      |
| <b>(Increase)/Decrease in Stocks</b>                                          | 96.87        | 161.11        |
| Less : (Increase)/Decrease in Excise Duty on Stocks                           | (82.94)      | -             |
| Less : Effect of Divestment in a Subsidiary                                   | (105.57)     | -             |
| Add : Stock of Trial-Run Production                                           | 6.60         | 1.79          |
| Add : Exchange Translation Difference                                         | 0.09         | (1.15)        |
|                                                                               | (84.95)      | 161.75        |

## 3.7 EMPLOYEE BENEFITS EXPENSE

|                                                                            | (₹ in Crore) |               |
|----------------------------------------------------------------------------|--------------|---------------|
|                                                                            | Current Year | Previous Year |
| Salaries, Wages and Bonus                                                  | 3,497.85     | 1,971.47      |
| Contribution to Provident and Other Funds (Note 4.9)                       | 200.25       | 127.34        |
| Contribution to Gratuity Fund (Note 4.9)                                   | 66.16        | 43.04         |
| Staff Welfare Expenses                                                     | 155.57       | 112.48        |
| Expenses on Employee Stock Option Scheme/Stock Appreciation Rights Scheme* | 72.58        | 11.26         |
|                                                                            | 3,992.41     | 2,265.59      |

\* ESOP charges are net of recovery of ESOP expense of ₹ 10.44 Crore from Aditya Birla Sun Life AMC Limited (Joint Venture of ABCL) (Previous year ₹ Nil).

## 3.8 FINANCE COSTS RELATING TO NBFC's/NHFC's BUSINESS

(measured at Amortised Cost)

|                       | (₹ in Crore) |               |
|-----------------------|--------------|---------------|
|                       | Current Year | Previous Year |
| Interest Expenses     | 2,289.72     | -             |
| Other Borrowing Costs | 9.77         | -             |
|                       | 2,299.49     | -             |

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## 3.9 OTHER FINANCE COSTS

(measured at Amortised Cost)

|                                                                                                  | (₹ in Crore) |               |
|--------------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                                  | Current Year | Previous Year |
| Interest Expense #                                                                               | 1,340.32     | 693.94        |
| Other Borrowing Costs                                                                            | 7.24         | 10.06         |
| Unwinding of Discount on Mine Restoration Provision                                              | 7.30         | 6.95          |
| Exchange (Gain)/Loss on Foreign Currency Borrowings (Net)                                        | 7.37         | 0.42          |
|                                                                                                  | 1,362.23     | 711.37        |
| Less: Capitalised                                                                                | 3.10         | 8.97          |
|                                                                                                  | 1,359.13     | 702.40        |
| Borrowing Costs are capitalised based on specific borrowings ranging between 7.50% to 9.15% p.a. |              |               |
| # Net of Interest Subsidy from Technology Upgradation Fund                                       | 34.41        | 63.31         |

## 3.10 OTHER EXPENSES

### 3.10.1 Manufacturing Expenses

|                                                                            | (₹ in Crore) |               |
|----------------------------------------------------------------------------|--------------|---------------|
|                                                                            | Current Year | Previous Year |
| Consumption of Stores, Spare Parts and Components, and Incidental Expenses | 1,090.43     | 861.04        |
| Consumption of Packing Materials                                           | 1,155.88     | 917.21        |
| Processing Charges                                                         | 206.67       | 120.78        |
| Repairs to Buildings                                                       | 55.76        | 29.13         |
| Repairs to Machinery                                                       | 813.43       | 703.43        |
| Repairs to Other Assets                                                    | 94.38        | 25.44         |

### 3.10.2 Administration, Selling and Distribution Expenses

|                                                     | (₹ in Crore) |               |
|-----------------------------------------------------|--------------|---------------|
|                                                     | Current Year | Previous Year |
| Advertisement                                       | 474.69       | 213.15        |
| Sales Promotion and Other Selling Expenses          | 1,323.23     | 762.19        |
| Insurance                                           | 99.51        | 75.13         |
| Rent (including Lease Rent) (Note 4.4.3)            | 264.92       | 163.91        |
| Rates and Taxes                                     | 217.55       | 173.08        |
| Research Contribution and Expenses                  | 23.44        | 25.00         |
| Donations (Note 3.13)                               | 15.34        | 27.47         |
| Exchange Rate Difference (Net)                      | 14.96        | 23.25         |
| Loss on Sale of Property, Plant and Equipment (Net) | 17.79        | 1.47          |
| Miscellaneous Expenses                              | 1,593.84     | 955.31        |
|                                                     | 7,461.82     | 5,076.99      |

# Notes

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## 3.11 RECONCILIATION OF EFFECTIVE TAX RATE

|                                                                                                                              | (₹ in Crore)  |               |
|------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                              | Current Year  | Previous Year |
| <b>Reconciliation:</b>                                                                                                       |               |               |
| Applicable Tax Rate                                                                                                          | 34.61%        | 34.61%        |
| Income Not Considered for Tax Purpose                                                                                        | -1.30%        | -1.17%        |
| Expenses Not Allowed for Tax Purpose                                                                                         | 1.33%         | 0.80%         |
| Additional Allowances for Tax Purpose                                                                                        | -1.94%        | -2.71%        |
| Taxes on Subsidiary Losses                                                                                                   | 1.11%         | -             |
| Effect of Change in Tax rate                                                                                                 | 0.99%         | -             |
| Tax paid at Lower Rate                                                                                                       | -0.56%        | -1.57%        |
| Provision for Tax of earlier years Written Back                                                                              | -1.65%        | -0.16%        |
| Lower Jurisdiction Tax Rate                                                                                                  | -0.20%        | -0.45%        |
| Others (including Dividend Distribution Tax on undistributed earnings and tax impact of dividend from Joint Venture Company) | -1.79%        | -0.04%        |
| <b>Effective Tax Rate</b>                                                                                                    | <b>30.59%</b> | <b>29.31%</b> |

## 3.12 OTHER COMPREHENSIVE INCOME

|                                                                                                                              | (₹ in Crore)    |               |
|------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------|
|                                                                                                                              | Current Year    | Previous Year |
| <b>Items that will not be reclassified to Profit and Loss</b>                                                                |                 |               |
| Equity Instrument through Other Comprehensive Income                                                                         | (181.51)        | 1,040.18      |
| Re-measurement of Defined Benefit Plan                                                                                       | 23.31           | (26.44)       |
| Share of Other Comprehensive income of Associate and Joint Venture Companies accounted for using equity method of accounting | 10.56           | (3.13)        |
| Income Tax relating to items that will not be reclassified to Profit or Loss                                                 | (55.98)         | (18.39)       |
| <b>Items that will be reclassified to Profit and Loss</b>                                                                    |                 |               |
| Debt Instrument through Other Comprehensive Income                                                                           | (142.11)        | 6.38          |
| Exchange difference in translating the financial statement of foreign operations                                             | 7.83            | (24.46)       |
| Effective portion of derivative instruments designated as Cash Flow Hedge                                                    | 10.24           | 65.45         |
| Share of Other Comprehensive income of Associate and Joint Venture Companies accounted for using equity method of accounting | 59.69           | (76.26)       |
| Income Tax relating to items that will be reclassified to Profit or Loss                                                     | (10.73)         | 0.11          |
| Less: Other Comprehensive Income attributable to participating policyholders of Life Insurance Business                      | (0.22)          | -             |
|                                                                                                                              | <b>(278.48)</b> | <b>963.44</b> |

|                                                                                                                                                          | (₹ in Crore) |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                                                                                          | Current Year | Previous Year |
| <b>3.13</b>                                                                                                                                              |              |               |
| During the current year, Donations include contribution to AB General Electoral Trust. The Trust uses such funds for contribution for Political purposes | 11.00        | 26.00         |



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|                                                                                                                             |              | (₹ in Crore)  |
|-----------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| 3.14                                                                                                                        | Current Year | Previous Year |
| Revenue expenditure on research and development included in different heads of expenses in the Statement of Profit and Loss | 69.17        | 55.38         |

## 3.15 Exceptional Items include:

|                                                                                                                                                 |              | (₹ in Crore)  |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                                                                                 | Current Year | Previous Year |
| (i) Provision for Stamp Duty on acquisition of assets                                                                                           | (464.28)     | -             |
| (ii) Loss on sale of 100% equity held by the Company in Grasim Bhiwani Textiles Limited, a wholly owned subsidiary of the Company in July, 2017 | (87.68)      | -             |
| (iii) Profit on deemed disposal of stakes in Associate Companies                                                                                | 245.08       | -             |
| (iv) Write back of provision relating to earlier years for Stamp Duty on merger of Aditya Birla Chemicals (India) Ltd. with the Company         | 24.78        | -             |
| (v) Impairment in value of Property, Plant and Equipment                                                                                        | (105.29)     | -             |
| (vi) Impairment on loss of control in a Subsidiary by UltraTech                                                                                 | (45.46)      | -             |
|                                                                                                                                                 | (432.85)     | -             |

## 3.16 Earnings Per Equity Share (EPS):

|                                                                                            |              | (₹ in Crore)  |
|--------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                            | Current Year | Previous Year |
| <b>Net Profit for the Year Attributable to Equity Shareholders</b>                         | 2,678.58     | 3,167.30      |
| <b>Basic EPS:</b>                                                                          |              |               |
| Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2/- each    | 605,701,097  | 466,800,754   |
| <b>Basic EPS (₹) {for Face Value of Shares of ₹ 2/- each}</b>                              | 44.22        | 67.85         |
| <b>Diluted EPS:</b>                                                                        |              |               |
| Weighted-Average Number of Equity Shares Outstanding (Nos.)                                | 605,701,097  | 466,800,754   |
| Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)      | 6,83,430     | 534,979       |
| Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.) | 606,384,527  | 467,335,733   |
| <b>Diluted EPS (₹) {for Face Value of Shares of ₹ 2/- each}</b>                            | 44.17        | 67.77         |

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## 4.1 PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements (CFS) comprises the Financial Statements of Grasim Industries Limited ("the Company") and its Subsidiaries (herein after referred together as "the Group"), Joint Ventures and Associates. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110), "Joint Arrangements" (Ind AS 111), "Disclosure of Interest in Other Entities" (Ind AS 112), "Investment in Associates and Joint Ventures" (Ind AS 28) notified under section 133 of the Companies Act 2013.

### (i) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

The difference between the costs 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. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

### (ii) Non-Controlling Interest (NCI):

Non-controlling interest in the net assets of the consolidated subsidiaries consists of:

- a) The amount of equity attributable to non-controlling shareholders at the date on which the investments in the subsidiary companies were made.
- b) The non-controlling share of movements in equity since the date the Parent-Subsidiary relationship comes into existence.

The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having deficit balance.

### (iii) Loss of Control:

When the Group loses control over a subsidiary, it de-recognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

### (iv) Equity Accounted Investees:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

When the Group's share of losses of an equity accounted investee exceed the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture.

Unrealised gains resulting from the transaction between the Group and joint ventures are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## (v) Transaction eliminated on Consolidation

The financial statements of the Company, its Subsidiaries, Joint Ventures and Associates used in the consolidation procedure are drawn upto the same reporting date, i.e., 31st March, 2018.

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. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. The Company follows uniform accounting policies for like transactions and other events in similar circumstances.

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

**4.2** The CFS are comprised of the Audited Financial Statements (except as mentioned otherwise) of the Company, its Subsidiaries and its interest in Joint Ventures and Associates for the year ended 31st March, 2018, which are as under:

| Name of the Company                                                | Note | Abbreviation | Country of Incorporation | Grasim's Ownership Interest% |           | % Shareholding and Voting Power along with Subsidiaries |           |
|--------------------------------------------------------------------|------|--------------|--------------------------|------------------------------|-----------|---------------------------------------------------------|-----------|
|                                                                    |      |              |                          | 31.3.2018                    | 31.3.2017 | 31.3.2018                                               | 31.3.2017 |
| <b>Subsidiaries:</b>                                               |      |              |                          |                              |           |                                                         |           |
| 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                                    | **A  | GBTL         | India                    | -                            | 100.00    | -                                                       | 100.00    |
| Aditya Birla Chemicals (Belgium) BVBA                              | ^    | ABCB         | Belgium                  | 99.97                        | 99.97     | 99.97                                                   | 99.97     |
| ABNL Investments Limited                                           | ""   | ABIL         | India                    | 100.00                       | -         | 100.00                                                  | -         |
| Aditya Birla Capital Limited                                       | ""   | ABCL         | India                    | 55.99                        | -         | 55.99                                                   | -         |
| Aditya Birla PE Advisors Private Limited                           | ""   | ABPEAPL      | India                    | 55.99                        | -         | 100.00                                                  | -         |
| Aditya Birla My Universe Limited                                   | ""   | ABMU         | India                    | 52.46                        | -         | 100.00                                                  | -         |
| Aditya Birla Trustee Company Private Limited                       | ""   | ABTCPL       | India                    | 55.99                        | -         | 100.00                                                  | -         |
| Aditya Birla Money Limited                                         | ""   | ABML         | India                    | 41.45                        | -         | 74.03                                                   | -         |
| Aditya Birla Commodities Broking Limited (100% Subsidiary of ABML) | ""   | ABCBL        | India                    | 41.45                        | -         | 74.03                                                   | -         |
| Aditya Birla Financial Shared Services Limited                     | ""   | ABFSSL       | India                    | 55.99                        | -         | 100.00                                                  | -         |
| Aditya Birla Finance Limited                                       | ""   | ABFL         | India                    | 55.99                        | -         | 100.00                                                  | -         |
| Aditya Birla Insurance Brokers Limited                             | ""   | ABIBL        | India                    | 28.00                        | -         | 50.002                                                  | -         |
| Aditya Birla Housing Finance Limited                               | ""   | ABHFL        | India                    | 55.99                        | -         | 100.00                                                  | -         |
| Aditya Birla Money Mart Limited                                    | ""   | ABMML        | India                    | 55.99                        | -         | 100.00                                                  | -         |
| Aditya Birla Money Insurance Advisory Services Limited             | ""   | ABMIASL      | India                    | 55.99                        | -         | 100.00                                                  | -         |
| Aditya Birla Sun Life Insurance Company Limited                    | ""   | ABSLI        | India                    | 28.55                        | -         | 51.00                                                   | -         |
| Aditya Birla Sun Life Pension Management Limited                   | ""   | ABSPML       | India                    | 28.55                        | -         | 51.00                                                   | -         |
| Aditya Birla Health Insurance Co. Limited                          | ""   | ABHICL       | India                    | 28.55                        | -         | 51.00                                                   | -         |

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| Name of the Company                              | Note     | Abbreviation | Country of Incorporation | Grasim's Ownership Interest% |           | % Shareholding and Voting Power along with Subsidiaries |           |
|--------------------------------------------------|----------|--------------|--------------------------|------------------------------|-----------|---------------------------------------------------------|-----------|
|                                                  |          |              |                          | 31.3.2018                    | 31.3.2017 | 31.3.2018                                               | 31.3.2017 |
| Aditya Birla ARC Limited                         | ""<br>^^ | ABARC        | India                    | 55.99                        | -         | 100.00                                                  | -         |
| UltraTech Cement Limited                         |          | UltraTech    | India                    | 60.21                        | 60.23     | 60.21                                                   | 60.23     |
| Dakshin Cements Limited                          | *        | DCL          | India                    | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| UltraTech Cement Lanka Private Limited           | *        | UTCLPL       | Sri Lanka                | 48.17                        | 48.18     | 80.00                                                   | 80.00     |
| Harish Cement Limited                            | *        | HCL          | India                    | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| UltraTech Cement Middle East Investments Limited | *        | UCMEIL       | UAE                      | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| PT UltraTech Mining Indonesia                    | *^%      | PUMI         | Indonesia                | 48.17                        | 48.18     | 80.00                                                   | 80.00     |
| UltraTech Cement SA (PTY)                        | *^       | UCSA         | South Africa             | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| PT UltraTech Investments Indonesia               | *^+      | PTUCIA       | Indonesia                | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| Star Cement Co. LLC                              | #\$      | SCCLD        | UAE                      | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| Star Cement Co. LLC, Ras-Al-Khaimah              | #\$      | SCCLRAK      | UAE                      | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| Al Nakhla Crusher LLC, Fujairah                  | #\$      | ANCL         | UAE                      | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| Arabian Cement Industry LLC, Abu Dhabi           | #\$      | ACIL         | UAE                      | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| Arabian Gulf Cement Co WLL, Bahrain              | #~       | AGCCW        | Bahrain                  | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| Emirates Power Company Limited                   | #        | EPCL         | Bangladesh               | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| Emirates Cement Bangladesh Ltd.                  | #        | ECBL         | Bangladesh               | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| UltraTech Cement Mozambique Limitada             | #@<br>++ | UTCMEIL      | Mozambique               | -                            | 60.23     | -                                                       | 100.00    |
| Gotan Limestone Khanij Udyog Private Ltd.        | *        | GKU          | India                    | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| PT UltraTech Cement Indonesia                    | ^!       | PTUCI        | Indonesia                | 59.61                        | 59.63     | 99.00                                                   | 99.00     |
| Bhagwati Lime Stone Company Private Limited      | *        | BLCPL        | India                    | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| Awam Mineral LLC, Oman                           | # \$\$   | AML          | Oman                     | 22.28                        | 30.72     | 37.00                                                   | 51.00     |
| PT UltraTech Mining Sumatera                     | ^!       | PTUMS        | Indonesia                | 60.21                        | 60.23     | 100.00                                                  | 100.00    |
| <b>Joint Venture Companies (JVs):</b>            |          |              |                          |                              |           |                                                         |           |
| AV Group NB Inc.                                 |          | AVNB         | China                    | 45.00                        | 45.00     | 45.00                                                   | 45.00     |



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| Name of the Company                                                                                                      | Note         | Abbreviation | Country of Incorporation | Grasim's Ownership Interest% |           | % Shareholding and Voting Power along with Subsidiaries |           |
|--------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------------------|------------------------------|-----------|---------------------------------------------------------|-----------|
|                                                                                                                          |              |              |                          | 31.3.2018                    | 31.3.2017 | 31.3.2018                                               | 31.3.2017 |
| Birla Jingwei Fibres Co. Limited                                                                                         |              | BJFC         | China                    | 26.63                        | 26.63     | 26.63                                                   | 26.63     |
| Birla Laos 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                    | 28.52                        | 28.53     | 47.37                                                   | 47.37     |
| Aditya Group AB                                                                                                          |              | AGAB         | Sweden                   | 33.33                        | 33.33     | 33.33                                                   | 33.33     |
| AVTerrace Bay Inc.                                                                                                       |              | AVTB         | Canada                   | 40.00                        | 40.00     | 40.00                                                   | 40.00     |
| Aditya Birla Renewables Limited                                                                                          | ""           | ABRL         | India                    | 85.59                        | -         | 85.59                                                   | -         |
| Aditya Birla Solar Limited                                                                                               | ""           | ABSL         | India                    | 50.10                        | -         | 50.10                                                   | -         |
| Aditya Birla Sun Life Trustee Company Private Limited                                                                    | ^^           | ABSTPL       | India                    | 28.47                        | -         | 50.85                                                   | -         |
| Aditya Birla Wellness Private Limited                                                                                    | ^^           | ABWPL        | India                    | 28.55                        | -         | 51.00                                                   | -         |
| Aditya Birla Sun Life AMC Company Limited                                                                                | ^^           | ABSAMC       | India                    | 28.55                        | -         | 51.00                                                   | -         |
| Aditya Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of ABSAMC)                                                   | ^^           | ABSAMCM      | India                    | 28.55                        | -         | 51.00                                                   | -         |
| Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of ABSAMC)                                                        | ^^           | ABSAMCD      | India                    | 28.55                        | -         | 51.00                                                   | -         |
| India Advantage Fund Limited (Subsidiary of ABSAMC)                                                                      | ***          | IAFL         | India                    | 28.55                        | -         | 51.00                                                   | -         |
| Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of ABSAMC)                                               | ^^           | ABSAMCS      | India                    | 28.55                        | -         | 51.00                                                   | -         |
| International Opportunities Fund SPC (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd., Singapore)                 | ****<br>^^   | IOF          | India                    | 28.55                        | -         | 51.00                                                   | -         |
| Global Clean Energy Fund SPC (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd., Singapore (w.e.f 1st April, 2016)) | \$\$\$<br>^^ | GCEF         | India                    | 28.55                        | -         | 51.00                                                   | -         |
| New Horizon Fund SPC (100% subsidiary of Aditya Birla Sun Life AMC Pte. Ltd., Singapore)                                 | ###<br>^^    | NHF          | India                    | 28.55                        | -         | 51.00                                                   | -         |

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| Name of the Company                                | Note | Abbreviation | Country of Incorporation | Grasim's Ownership Interest% |           | % Shareholding and Voting Power along with Subsidiaries |           |
|----------------------------------------------------|------|--------------|--------------------------|------------------------------|-----------|---------------------------------------------------------|-----------|
|                                                    |      |              |                          | 31.3.2018                    | 31.3.2017 | 31.3.2018                                               | 31.3.2017 |
| <b>Associates:</b>                                 |      |              |                          |                              |           |                                                         |           |
| Aditya Birla Science & Technology Co. Private Ltd. | ""   | ABSTCL       | India                    | 49.50                        | 39.00     | 49.50                                                   | 39.00     |
| Idea Cellular Ltd.                                 | ""   | Idea         | India                    | 23.13                        | 4.74      | 23.13                                                   | 4.74      |
| Aditya Birla Idea Payments Bank Limited            | ""   | ABIPB        | India                    | 51.00                        | -         | 51.00                                                   | -         |
| Aditya Birla Renewables SPV1 Limited               | *@@  | ABRSPV1      | India                    | 15.65                        | -         | 26.00                                                   | -         |
| Madanpur (North) Coal Company Private Limited      | *^   | MCCPL        | India                    | 6.73                         | 6.73      | 11.17                                                   | 11.17     |

Symbols in the Note column above are explained as below:

| Symbol | Note                                                                                        |
|--------|---------------------------------------------------------------------------------------------|
| *      | Subsidiaries/Joint Ventures/Associates of UltraTech                                         |
| ^^     | Subsidiaries/Joint Ventures of ABCL                                                         |
| #      | Subsidiaries of UCMEIL                                                                      |
| @      | 90% Shareholding of UCMEIL                                                                  |
| !      | Subsidiary of PT UltraTech Investments, Indonesia                                           |
| ^      | Unaudited Accounts Considered                                                               |
| +      | 5% Shareholding of UCMEIL                                                                   |
| %      | 4% Shareholding of UCMEIL                                                                   |
| \$\$   | Ceased control w.e.f. 24th April, 2017                                                      |
| ++     | Ceased to exist w.e.f. 6th July, 2017                                                       |
| @ @    | w.e.f. 19th June, 2017                                                                      |
| ""     | w.e.f. 1st July, 2017 on merger of erstwhile ABNL(incl. change in stake in Idea and ABSTCL) |
| \$     | 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                    |
| **     | Wholly owned subsidiary upto 10th July, 2017                                                |

\*\*\* India Advantage Fund Limited (IAFL), wholly owned Subsidiary of Birla Sun Life Asset Management Company Limited, is a collective investment scheme set-up as a fund in Mauritius with the status of a limited company under the Mauritius Companies Act. In terms of constitution and private placement memorandum, IAFL has classes of redeemable participating shares. Each class of participating shares has its own Balance Sheet and Statement of Profit and Loss. The Profit/Loss of each such class belongs to the participating shareholders of that class. Birla Sun Life Asset Management Company Limited (BSAMC) owns 100% of the Management share, and Management shareholder is not entitled to any beneficial interest in the profit/loss of various classes nor is required to make good any shortfall. In substance, there are no direct or indirect economic benefits received by the Management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IAFL in the Consolidated Financial Statements.

\*\*\*\*Aditya Birla Sun Life AMC Pte Limited, Singapore, has made investment in international Opportunities Fund. International Opportunities Fund SPC (IOF) is a segregated portfolio company set up as a fund in Cayman

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islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, IOF has various segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of the participating shares has its own Balance Sheet and Profit and Loss Account. The profit/loss of each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Pte. Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit/loss of various segregated portfolios, nor is required to make good any shortfall. In substance, there are no direct or indirect economic benefits received by the Management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IOF in the Consolidated Financial Statements.

\$\$\$ Aditya Birla Sun Life AMC Pte. Limited, Singapore has made investment in Global Clean Energy Fund SPC (GCEF) is established as a segregated portfolio company in Cayman Islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, GCEF has facility to create multiple segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares will have its own Balance Sheet and Profit and Loss account. The Profit / Loss arising from each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Company Pte Limited (ABSLAMC) owns 100% of the management share and management shareholder are not entitled to any beneficial interest in the profit / loss of various segregated portfolios nor is required to make good any shortfall. In substance, there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated GCEF in the Consolidated Financial Statements.

### Aditya Birla Sun Life AMC Pte Limited, Singapore, has made investment in New Horizon Fund. New Horizon Fund is established as a segregated portfolio company in Cayman Islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, New Horizon Fund has facility to create multiple segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares will have its own Balance Sheet and Profit and Loss account. The Profit/Loss arising from each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life AMC Pte Limited owns 100% of the management share and management shareholder are not entitled to any beneficial interest in the profit/loss of various segregated portfolios, nor is required to make good any shortfall. In substance, there are no direct or indirect economic benefits received by the Management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated New Horizon Fund in the Consolidated Financial Statements.

## 4.3 SIGNIFICANT EVENTS DURING THE YEAR:

- 4.3.1 Pursuant to the loss of control in Awam Minerals LLC with effect from 24th April, 2017, the investments have been re-classified to Investment measured at Fair value through and profit or loss. In the current year, the UltraTech has made a provision of ₹ 31.47 Crore, towards impairment arising from fair valuation of the investments and written off ₹ 13.99 Crore towards working capital loans on the basis of the board resolution dated 10th December, 2017 and has disclosed the same as an exceptional item in the Statement of Profit and Loss. Further, the Company has de-recognised goodwill of ₹ 55.07 Crore on the loss of control.
- 4.3.2 The Supreme Court of India has allowed an appeal filed by the State of Rajasthan in a matter relating to transfer of mining lease in the name of the UltraTech's wholly-owned subsidiary, Gotan Lime Stone Khanij Udyog Private Limited ("GKUPL"), and has directed the State of Rajasthan to frame and notify its policy relating to transfer of mining lease and thereafter pass appropriate order in respect of the mining lease of GKUPL. State Government has notified the new policy related to the transfer of new mining lease, based on which the UltraTech has requested the State Government to consider reinstatement of the mines in its favour.

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## 4.3.3 During the current year, the Company has acquired:

- a. 26,712,000 additional shares of Aditya Birla Renewables Limited at a cost of ₹ 26.72 Crore. The Company's ownership Percentage has changed from 51% to 85.59%, on account of this additional investment.
- b. 107,549,025 additional shares of Aditya Birla Idea Payments Bank (ABIPB) at a cost of ₹ 103.19 Crore. Further, Idea Mobile Commerce Services Limited ("IMCSL") has been amalgamated with ABIPB on a going concern basis w.e.f. 22nd February, 2018. As a result, the Company's ownership percentage has changed from 87.86% to 51% on account of this additional investment and merger with IMCSL.

## 4.3.4 Idea Cellular Ltd. (Idea), an associate of the Company has been undergoing merger process with Vodafone India Limited, which is likely to be completed in first half of FY 2018-19. As a result of the said merger, the Company's ownership percentage in Idea will reduce from 23.13% to 11.57%.

## 4.4 ADDITIONAL INFORMATION DETAILS

### 4.4.1 Government Grants (Ind AS 20)

- (a) Other Operating Revenue (Note 3.2) includes incentives against capital investments received by UltraTech Cement Limited amounting to ₹ 300.55 Crore (Previous Year ₹ 126.38 Crore) under the State Investment Promotion Scheme.
- (b) Interest, Wage Expenses and Repairs to plant and machinery are net of subsidy received by UltraTech Cement Limited [under State Investment Promotion Scheme] of ₹ 5.81 Crore (Previous Year ₹ 26.91 Crore), ₹ Nil Crore (Previous Year ₹ 3.70 Crore) and of ₹ 0.98 Crore (Previous Year ₹ 1.55 Crore) respectively.
- (c) Sales Tax deferment loan granted under State Investment Promotion Scheme has been considered as a government grant, and the difference between the fair value and nominal value as on date being recognised as an income. Accordingly, an amount of ₹ 4.74 Crore (31st March, 2017: ₹ 18.23 Crore) has been recognised as an income. Unwinding of interest is accounted as charge to the Statement of Profit and Loss.

### 4.4.2 Details relating to Micro, Small and Medium Enterprises:

|                                                                                                                                                                                                                                                                     | (₹ in Crore)              |                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                                                                                                                                     | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| (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;                                                                                                                 | 18.61                     | 5.11                      |
| (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; | 0.01                      | -                         |

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|                                                                                                                                                                                                                                                                                                                                    | (₹ in Crore)              |                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                                                                                                                                                                                                    | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and                                                                                                                                                                                                                                    | 0.01                      | -                         |
| (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 enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | -                         | -                         |

## 4.4.3 Assets taken on Operating Lease (Ind AS 17):

### a. Group as a Lessee:

|                                                   |                                                                                                                                                                                          | (₹ in Crore)                |               |          |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------|----------|
|                                                   |                                                                                                                                                                                          | Current Year                | Previous Year |          |
| 1                                                 | Operating Lease Payments recognised in the Statement of Profit and Loss [Including contingent lease rent of ₹ 21.60 Crore (Previous Year ₹ Nil)]                                         | 264.92                      | 163.91        |          |
| 2                                                 | The total of future minimum lease payments under non-cancellable operating leases are as follows:                                                                                        |                             |               |          |
|                                                   | For a period not later than one year                                                                                                                                                     | 89.33                       | 19.74         |          |
|                                                   | For a period later than one year and not later than five years                                                                                                                           | 205.91                      | 64.60         |          |
|                                                   | For a period later than five years                                                                                                                                                       | 118.88                      | 111.92        |          |
| 3                                                 | General Description of Leasing Agreements:                                                                                                                                               |                             |               |          |
|                                                   | (i) Lease Assets: Land, Godowns, Offices, Residential Flats, Showrooms and Others.                                                                                                       |                             |               |          |
|                                                   | (ii) The Group has entered into finance lease arrangement for Computer Servers/Plant and Machinery from vendors. The finance obligations are secured by charges against the said assets. |                             |               |          |
|                                                   | (iii) Future Lease rentals are determined on the basis of agreed terms.                                                                                                                  |                             |               |          |
|                                                   | (iv) At the expiry of lease terms, the Group has an option to return the assets or extend the term by giving notice in writing.                                                          |                             |               |          |
| 4.                                                | The details of finance lease payable and their Present Value as at the Balance Sheet date:                                                                                               |                             |               |          |
| As at 31st March, 2018                            |                                                                                                                                                                                          | Total Lease Charges Payable | Present Value | Interest |
| Not Later than one year                           |                                                                                                                                                                                          | 3.32                        | 2.99          | 0.33     |
| Later than one year and not later than five years |                                                                                                                                                                                          | 2.20                        | 2.13          | 0.07     |
| Total                                             |                                                                                                                                                                                          | 5.52                        | 5.12          | 0.40     |
| As at 31st March, 2017                            |                                                                                                                                                                                          | Total Lease Charges Payable | Present Value | Interest |
| Not Later than one year                           |                                                                                                                                                                                          | 0.61                        | 0.58          | 0.03     |
| Later than one year and not later than five years |                                                                                                                                                                                          | 1.45                        | 1.43          | 0.02     |
| Total                                             |                                                                                                                                                                                          | 2.06                        | 2.01          | 0.05     |



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## b. Group as a lessor

The Group has given certain assets on lease for which the rental income earned during the year is ₹ 3.15 Crore (Previous Year ₹ 3.26 Crore). These lease arrangements are normally renewed on expiry, wherever required.

### 4.4.4 Assets held for Disposal (Ind AS 105):

The Group has identified certain assets amounting to ₹ 45.94 Crore (previous year ₹ 7.98 Crore) to be disposed off like Aggregate Mines, Vibrating Mill, Pre-Grinders for Cement Mills, Chimneys, Hot Gas filter, Heat Exchanger, Waste Heat Boilers, Pipelines, Sulphur Furnace, Packaging Plant, DG Set, Vertical Roller Press Mill, etc., which are not in use by the Group. The Group is in the process of discussion with various potential buyers, and expects the same to be disposed off within next twelve months.

### 4.4.5 Distribution Made and Proposed (Ind AS 1):

|                                                                                                                                                                    | (₹ in Crore) |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                                                                                                    | Current Year | Previous Year |
| Cash Dividends on Equity Shares Declared and Paid:                                                                                                                 |              |               |
| Final Dividend for the year ended on 31st March, 2017: ₹ 5.50 per share of face value of ₹ 2 each (31st March, 2016: ₹ 22.50 per share of face value of ₹ 10 each) | 361.53       | 210.05        |
| Dividend Distribution Tax on Final Dividend #                                                                                                                      | 39.94        | 10.79         |
| Total Cash outflow on account of Dividend and Tax thereon                                                                                                          | 401.47       | 220.84        |
| Proposed Dividends on Equity Shares:                                                                                                                               |              |               |
| Final Dividend for the year ended on 31st March, 2018: ₹ 6.20 per share of face value of ₹ 2 each (31st March, 2017: ₹ 5.50 per share of face value of ₹ 2 each)   | 407.57       | * 256.76      |
| Dividend Distribution Tax (DDT) on Proposed Dividend                                                                                                               | 48.09        | * 18.61       |
| Total Proposed Dividend and Tax thereon                                                                                                                            | 455.66       | * 275.37      |

#Tax on Dividend is net of ₹ 33.60 Crore (Previous year ₹ 32.36 Crore) being credit utilised on DDT paid by Subsidiary Company.

\* Amount of dividend distribution for the previous year was subject to change on account of issue of equity shares by the Company to the shareholders of erstwhile Aditya Birla Nuvo Limited (ABNL), in terms of the Scheme of Arrangement for merger of ABNL with the Company (Note 4.12 A).

### 4.4.6 a. Ind AS 115- Revenue from Contracts with Customers:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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Except for the disclosure requirements, the new standard will not materially impact the Company's financial statements. The amendment will come into force from 1st April, 2018.

**b. Ind AS 21 – The effect of changes in Foreign Exchange Rates:**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary pre-payment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. Company is evaluating the impact of this amendment on its financial statements.

**4.4.7** Effective 1st July, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence revenue from operations and Excise duty in expenses for the year ended 31st March, 2018 are not comparable with the previous year corresponding figures.

**4.4.8 Other Notes:**

- a. Other income for the year ended 31st March, 2018, includes reversal of earlier years provision of ₹ 112.89 Crore related to contribution towards District Mineral Fund (DMF) under the Mines and Mineral (Development and Regulation) Amendment Act, 2015, on the basis of the Supreme Court Judgment dated 13th October, 2017 (31st March, 2017 ₹ Nil).
- b. Other income for year ended 31st March, 2017 includes ₹ 137.77 Crore being provisions no longer required.
- c. Aditya Birla Sun Life Insurance Company Limited (ABSLI) a subsidiary of Aditya Birla Capital Limited (ABCL) has recognised in its total comprehensive income for the period 1st July, 2017 to 31st March 2018, a loss of ₹ 25.28 Crore in statement of profit and Loss and a loss of ₹ 122.08 Crore in Other Comprehensive Income on account of non- participating Policyholder's Fund which is restricted for transfer to Shareholders Fund under the provisions of the IRDA Regulations. Equity as at 31st March, 2018, includes ₹ 59.23 Crore of Non-Participating Policyholders' Fund.

**4.4.9 Capital Management (Ind AS 1)**

The Group's objectives when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Group monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

| Particulars                                      | (₹ in Crore)              |                           |
|--------------------------------------------------|---------------------------|---------------------------|
|                                                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Total Debt (Bank and Other Borrowings)           | 67,069.81                 | 9,213.03                  |
| Less: Liquid Investments including Bank Deposits | 10,244.09                 | 11,410.57                 |
| Net Debt                                         | 56,825.72                 | (2,197.54)                |
| Equity                                           | 83,698.73                 | 41,089.01                 |
| <b>Net Debt to Equity</b>                        | <b>0.68</b>               | <b>-</b>                  |

In addition the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc., which is maintained by the Group.

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## 4.4.10 Share Based Payments (Ind AS 102)

### A. Holding Company

10,39,210 Equity Shares of Face Value of ₹ 2 each (Previous Year 1,152,595 Equity Shares of Face Value of ₹ 2 each ) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006) and Employee Stock Option Scheme, 2013 (ESOS-2013).

#### 4.4.10.1 a. Under the ESOS-2006, the Company has granted 1,533,375 Options to its eligible employees, the details of which are given hereunder:

|                                                         | Options                                                                                                          |                    |                   |                |                    |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|----------------|--------------------|
|                                                         | Tranche I                                                                                                        | Tranche II         | Tranche III       | Tranche IV     | Tranche V          |
| No. of Options Granted                                  | 1,007,650                                                                                                        | 83,050             | 356,485           | 30,185         | 56,005             |
| Grant Date                                              | 23rd August, 2007                                                                                                | 25th January, 2008 | 30th August, 2010 | 2nd June, 2011 | 18th October, 2013 |
| Grant Price (₹ Per Share)#                              | 386                                                                                                              | 577                | 274               | 305            | 532                |
| Revised Grant Price* (₹)                                | 305                                                                                                              | 456                | N.A.              | N.A.           | N.A.               |
| Market Price on the Date of Grant (₹)                   | 546                                                                                                              | 577                | 404               | 466            | 543                |
| Fair Value on the Date of Grant of Option (₹ Per Share) | 208                                                                                                              | 174                | 226               | 252            | 197                |
| Method of Settlement                                    | Equity                                                                                                           | Equity             | Equity            | Equity         | Equity             |
| Method of Accounting                                    | Intrinsic value for options vested before 1st April 2015, and Fair value for options vested after 1st April 2015 |                    |                   |                |                    |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant                                                 |                    |                   |                |                    |
| Normal Exercise Period                                  | 5 years from the date of vesting                                                                                 |                    |                   |                |                    |

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

#The Grant Price in respect of Tranches III, IV and V has been revised in the current Financial Year post- demerger of Financial Services business of Grasim to ABCL, resulting in reduction of ₹ 14 per share from the earlier Exercise Price i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).

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b. Under the ESOS-2013, the Company has granted 1,044,245 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

|                                                         | Options                                                                                                          |                    |                    |                 |                | RSU's                                                           |                     |                    |                    |                 |                |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|-----------------|----------------|-----------------------------------------------------------------|---------------------|--------------------|--------------------|-----------------|----------------|
|                                                         | Tranche I                                                                                                        | Tranche II         | Tranche III        | Tranche IV      | Tranche V      | Tranche I                                                       | Tranche II          | Tranche III        | Tranche IV         | Tranche V       | Tranche VI     |
| No. of Options / RSU Granted                            | 627,015                                                                                                          | 59,905             | 121,750            | 30,440          | 17,045         | 93,495                                                          | 40,420              | 31,010             | 16,665             | 4,165           | 2,335          |
| Grant Date                                              | 18th October, 2013                                                                                               | 29th January, 2014 | 15th January, 2016 | 2nd April, 2016 | 24th May, 2016 | 18th October, 2013                                              | 21st November, 2013 | 29th January, 2014 | 15th January, 2016 | 2nd April, 2016 | 24th May, 2016 |
| Grant Price (₹ Per Share)#                              | 529                                                                                                              | 519                | 686                | 757             | 842            | 2                                                               | 2                   | 2                  | 2                  | 2               | 2              |
| Market Price on the Date of Grant (₹)#                  | 529                                                                                                              | 519                | 686                | 757             | 842            | 529                                                             | 522                 | 519                | 686                | 757             | 842            |
| Fair value on the date of Grant of Option (₹ per Share) | 199                                                                                                              | 191                | 274                | 291             | 315            | 520                                                             | 498                 | 495                | 687                | 750             | 821            |
| Method of Settlement                                    | Equity                                                                                                           | Equity             | Equity             | Equity          | Equity         | Equity                                                          | Equity              | Equity             | Equity             | Equity          | Equity         |
| Method of Accounting                                    | Intrinsic value for options vested before 1st April 2015, and Fair value for options vested after 1st April 2015 |                    |                    |                 |                | Fair Value                                                      | Fair Value          | Fair Value         | Fair Value         | Fair Value      | Fair Value     |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant                                                 |                    |                    |                 |                | Bullet vesting at the end 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                                |                     |                    |                    |                 |                |

# The Grant Price and Market Price in respect of Tranches I, III and IV has been revised in the current Financial Year post- demerger of Financial Services business of Grasim to ABCL, resulting in reduction of ₹ 14 per share from the earlier Exercise Price i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).



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**4.4.10.2(a) Under the Employee Stock Options Scheme - 2013 (ESOS-2013), the Company has granted 4,36,145 Options/ SAR to the eligible employees of erstwhile ABNL as per the composite scheme of arrangement between the Company and ABNL. The details are as under:**

|                                                   | Options                                                          |                    |                     |                | RSU's                                                           |                    |                     |                |
|---------------------------------------------------|------------------------------------------------------------------|--------------------|---------------------|----------------|-----------------------------------------------------------------|--------------------|---------------------|----------------|
|                                                   | Tranche IA                                                       | Tranche IIA        | Tranche IIIA        | Tranche IVA    | Tranche IA                                                      | Tranche IIA        | Tranche IIIA        | Tranche IVA    |
| No. of Options Granted                            | 39,887                                                           | 10,918             | 6,144               | 51,219         | 18,483                                                          | 3,568              | 2,229               | 24,784         |
| Grant Date                                        | 7th December, 2013                                               | 29th January, 2014 | 12th November, 2014 | 24th May, 2016 | 7th December, 2013                                              | 29th January, 2014 | 12th November, 2014 | 24th May, 2016 |
| Grant / Exercise Price (₹ Per Share)              | 449                                                              | 380                | 631                 | 648            | 2                                                               | 2                  | 2                   | 2              |
| Market Price on the Date of Grant                 | 1240                                                             | 1054               | 1727                | 992            | 1240                                                            | 1054               | 1727                | 992            |
| Fair value on the Date of Merger (1st July, 2017) | 806                                                              | 875                | 693                 | 716            | 1200                                                            | 1199               | 1198                | 1195           |
| Method of Settlement                              | Equity                                                           | Equity             | Equity              | Equity         | Equity                                                          | Equity             | Equity              | Equity         |
| Method of Accounting                              | Fair Value                                                       |                    |                     |                | Fair Value                                                      |                    |                     |                |
| Graded Vesting Plan                               | 25% every year, commencing after one year from the date of grant |                    |                     |                | Bullet vesting at the end 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                                |                    |                     |                |



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## (b) Stock Appreciation Rights ('SAR')

|                                                          | SAR's (Linked with the Company's market price)                                          |                                 |                                 |                                 |                                                | SAR's (Linked with Aditya Birla Capital Limited's market price)                         |                                 |                                 |                                 |                                                |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------------------------|
|                                                          | Tranche - I                                                                             | Tranche - II                    | Tranche - III                   | Tranche - IV A                  | Tranche - IV B                                 | Tranche - I                                                                             | Tranche - II                    | Tranche - III                   | Tranche - IV A                  | Tranche - IV B                                 |
| Number of SAR's                                          | 14,988                                                                                  | 8,449                           | 4,032                           | 79,382                          | 8,920                                          | 20,986                                                                                  | 11,829                          | 5,645                           | 1,11,137                        | 13,547                                         |
| Method of Accounting                                     | Fair Value                                                                              | Fair Value                      | Fair Value                      | Fair Value                      | Fair Value                                     | Fair Value                                                                              | Fair Value                      | Fair Value                      | Fair Value                      | Fair Value                                     |
| Vesting Plan                                             | Graded Vesting - 25% every year                                                         | Graded Vesting - 25% every year | Graded Vesting - 25% every year | Graded Vesting - 25% every year | Bullet Vesting - end of 3 year from grant date | Graded Vesting - 25% every year                                                         | Graded Vesting - 25% every year | Graded Vesting - 25% every year | Graded Vesting - 25% every year | Bullet Vesting - end of 3 year from grant date |
| Exercise Period                                          | 3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier |                                 |                                 |                                 |                                                | 3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier |                                 |                                 |                                 |                                                |
| Grant Date                                               | 07.12.2013                                                                              | 29.01.2014                      | 12.11.2014                      | 24.05.2016                      | 24.05.2016                                     | 07.12.2013                                                                              | 29.01.2014                      | 12.11.2014                      | 24.05.2016                      | 24.05.2016                                     |
| Grant Price (₹ Per Share)                                | 449                                                                                     | 380                             | 631                             | 648                             | 2                                              | 10                                                                                      | 10                              | 10                              | 10                              | 10                                             |
| Market Price on the date of Grant of SAR's (₹ Per Share) | 1239.8                                                                                  | 1053.85                         | 1726.95                         | 992.4                           | 992.4                                          | NA                                                                                      | NA                              | NA                              | NA                              | NA                                             |

# The Fair Value stands revised post the scheme of demerger of the Financial Services business of Grasim to ABCL on 4 July 2017.

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## 4.4.10.3 Movement of Options and RSUs Granted along with Weighted Average Exercise Price (WAEP)

### A. For options referred to in 4.4.10.1(a)&(b)

|                                                            | Number of Options and RSUs |          |               |          |
|------------------------------------------------------------|----------------------------|----------|---------------|----------|
|                                                            | Current Year               |          | Previous Year |          |
|                                                            | Nos.                       | WAEP (₹) | Nos.          | WAEP (₹) |
| Outstanding at the beginning of the year                   | 1,152,595                  | 472      | 241,426       | 2,205    |
| Adjustment for Sub-Division of Equity Shares (Note 2.14.8) | -                          | -        | 965,704       | -        |
| Outstanding at the beginning of the year (Post-split)      | 1,152,595                  | 472      | 1,207,130     | 441      |
| Granted during the year                                    | -                          | -        | 53,985        | 701      |
| Exercised during the year                                  | 71,660                     | 311      | 106,580       | 248      |
| Lapsed during the year                                     | 41,725                     | 616      | 1,940         | 2        |
| Outstanding at the end of the year                         | 1,039,210                  | 463      | 1,152,595     | 472      |
| Options: Unvested at the end of the year                   | 104,535                    | 565      | 339,550       | 583      |
| Exercisable at the end of the year                         | 934,675                    | 452      | 813,045       | 425      |

The weighted average share price at the date of exercise for options was ₹ 1086 per share (31st March, 2017 ₹ 944 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March, 2018 was 2.97 years (31st March, 2017: 3.1 years).

### B. For options referred to in 4.4.10.2 (a)&(b)

|                                          | Number of Options and RSUs |          | Number of SAR's |          |
|------------------------------------------|----------------------------|----------|-----------------|----------|
|                                          | Current Year               |          | Current Year    |          |
|                                          | Nos.                       | WAEP (₹) | Nos.            | WAEP (₹) |
| Outstanding at the beginning of the year | -                          | -        | -               | -        |
| Granted during the year                  | 157,232                    | 377      | 278,915         | 235      |
| Exercised during the year                | -                          | -        | 5,141           | 164      |
| Lapsed during the year                   | 35,065                     | 420      | 105,897         | 233      |
| Outstanding at the end of the year       | 122,167                    | 364      | 167,877         | 239      |
| Options: Unvested at the end of the year | 54,316                     | 437      | 57,938          | 579      |
| Exercisable at the end of the year       | 67,851                     | 306      | 109,939         | 59       |

Weighted average remaining contractual life for the share options outstanding as at 31st March, 2018 was 3.41 years.

The weighted average share price at the date of exercise for SAR's was ₹ 1083.5 per share (31st March, 2017 ₹ 3500 per share) and weighted average remaining contractual life for the SAR's outstanding as at 31st March, 2018 was 3.4 years.

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## 4.4.10.4 Fair Valuation

The fair value of options used to compute proforma net income and earnings per equity share has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model.

The Key Assumptions in Black-Scholes Model for calculating fair value as on the date of grant are:

## A. For options referred to in 4.4.10.1(a)&amp;(b)

| ESOS-2006             | Options                                              |            |             |            |           |
|-----------------------|------------------------------------------------------|------------|-------------|------------|-----------|
|                       | Tranche I                                            | Tranche II | Tranche III | Tranche IV | Tranche V |
| Risk-Free Rate        | 7.78%                                                | 7.78%      | 7.78%       | 8.09%      | 8.58%     |
| Option Life (Years)   | Vesting Period (1 Year) + Average of Exercise Period |            |             |            |           |
| Expected Volatility * | 33.00%                                               | 36.00%     | 45.64%      | 31.73%     | 24.01%    |
| Dividend Yield        | 1.84%                                                | 1.80%      | 1.58%       | 0.61%      | 1.03%     |

The weighted-average fair value of the option, as on the date of grant, works out to ₹ 211 per stock option (Previous Year ₹ 211 per stock option).

| ESOS-2013             | Options                                              |            |             |            |           | RSU's     |            |             |            |           |            |
|-----------------------|------------------------------------------------------|------------|-------------|------------|-----------|-----------|------------|-------------|------------|-----------|------------|
|                       | Tranche I                                            | Tranche II | Tranche III | Tranche IV | Tranche V | Tranche I | Tranche II | Tranche III | Tranche IV | Tranche V | Tranche VI |
| Risk-Free Rate        | 8.58%                                                | 8.87%      | 7.87%       | 7.60%      | 7.49%     | 8.66%     | 8.90%      | 9.00%       | 7.96%      | 7.78%     | 7.75%      |
| Option Life (Years)   | Vesting Period (1 Year) + Average of Exercise Period |            |             |            |           | 5.50      | 5.50       | 5.50        | 5.50       | 5.50      | 5.50       |
| Expected Volatility * | 24.01%                                               | 23.47%     | 28.26%      | 27.96%     | 27.43%    | 24.01%    | 23.76%     | 23.47%      | 28.52%     | 28.41%    | 28.01%     |
| Dividend Yield        | 1.03%                                                | 1.10%      | 0.36%       | 0.52%      | 0.48%     | 1.34%     | 1.40%      | 1.43%       | 0.34%      | 0.51%     | 0.47%      |

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 215 per stock option and ₹ 539 per RSU. (Previous Year: ₹ 1,049 per stock option and ₹ 2,646 per RSU).

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSUs upto the date of grant.



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## B. For options referred to in 4.4.10.2 (a)&amp;(b)

| ESOS-2013                                                           | Options                 |             |              |             | RSU's                     |             |              |             |
|---------------------------------------------------------------------|-------------------------|-------------|--------------|-------------|---------------------------|-------------|--------------|-------------|
|                                                                     | Tranche IA              | Tranche IIA | Tranche IIIA | Tranche IVA | Tranche IA                | Tranche IIA | Tranche IIIA | Tranche IVA |
| Risk-Free Rate                                                      | 6.60%                   | 6.50%       | 6.60%        | 6.70%       | 6.50%                     | 6.50%       | 6.50%        | 6.70%       |
| Option Life (Years)                                                 | 2.6 years               | 2.1 years   | 2.7 years    | 4.4 years   | 2.2 years                 | 2.3 years   | 2.9 years    | 4.4 years   |
| Expected Volatility *                                               | 27.20%                  | 28.10%      | 27.80%       | 27.20%      | 27.70%                    | 27.40%      | 27.20%       | 27.40%      |
| Dividend Yield                                                      | 0.31%                   | 0.31%       | 0.31%        | 0.31%       | 0.31%                     | 0.31%       | 0.31%        | 0.31%       |
| Weighted average fair value of the option/ RSU on the date of grant | ₹ 583 per stock option. |             |              |             | ₹ 1,004 per stock option. |             |              |             |

|                                                                     | SAR's (Linked with the Company's market price) |             |              |             |             | SAR's (Linked with Aditya Birla Capital Limited's market price) |             |              |             |             |
|---------------------------------------------------------------------|------------------------------------------------|-------------|--------------|-------------|-------------|-----------------------------------------------------------------|-------------|--------------|-------------|-------------|
|                                                                     | Tranche IA                                     | Tranche IIA | Tranche IIIA | Tranche IVA | Tranche IVB | Tranche IA                                                      | Tranche IIA | Tranche IIIA | Tranche IVA | Tranche IVB |
| Risk-Free Rate                                                      | 6.71%                                          | 6.71%       | 6.71%        | 7.09%       | 7.48%       | 6.71%                                                           | 6.71%       | 6.71%        | 7.09%       | 7.48%       |
| Option Life (Years)                                                 | 0.84 years                                     | 0.75 years  | 1.22 years   | 2.48 years  | 3.65 years  | 0.84 years                                                      | 0.75 years  | 1.22 years   | 2.48 years  | 3.65 years  |
| Expected Volatility *                                               | 31.01%                                         | 31.01%      | 31.01%       | 31.01%      | 31.01%      | 19.94%                                                          | 19.94%      | 19.94%       | 19.94%      | 19.94%      |
| Dividend Yield                                                      | 0.52%                                          | 0.52%       | 0.52%        | 0.52%       | 0.51%       | 0.39%                                                           | 0.39%       | 0.39%        | 0.37%       | 0.35%       |
| Weighted average fair value of the option/ RSU on the date of grant | ₹ 316.60 per stock option.                     |             |              |             |             | ₹ 66.75 per stock option.                                       |             |              |             |             |

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSUs upto the date of grant.

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## Disclosure under Employee Stock Option Scheme of Subsidiary Companies:

### I. UltraTech Cement Limited:

The Group has granted 805,950 Options (including Restricted Stock Units) to its eligible employees in various ESOS Schemes, details are as under:

#### (A) Employee Stock Options Scheme (ESOS - 2006):

| Particulars                                             | Tranche I                        | Tranche II                       | Tranche III                      | Tranche IV*                | Tranche V*                 | Tranche VI                       |
|---------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------|----------------------------|----------------------------------|
| Nos. of Options                                         | 99,010                           | 69,060                           | 60,403                           | 88,907                     | 8,199                      | 7,890                            |
| Vesting Plan                                            | Graded Vesting - 25% every year  | Graded Vesting - 25% every year  | Graded Vesting - 25% every year  | As per the Terms of Scheme | As per the Terms of Scheme | Graded Vesting - 25% every year  |
| Exercise Period                                         | 5 years from the date of Vesting | 5 years from the date of Vesting | 5 years from the date of Vesting |                            |                            | 5 years from the date of Vesting |
| Grant Date                                              | 23.08.2007                       | 25.01.2008                       | 08.09.2010                       | 20.09.2010                 | 20.09.2010                 | 01.06.2012                       |
| Exercise Price (₹ per share)                            | 606                              | 794                              | 655                              | 709                        | 1,061                      | 974                              |
| Fair Value on the date of Grant of Option (₹ Per Share) | 502                              | 404                              | 547                              | 447                        | 281                        | 762                              |
| Method of Settlement                                    | Equity                           | Equity                           | Equity                           | Equity                     | Equity                     | Equity                           |

\* Issued to Employees of erstwhile Samruddhi Cement Limited (SCL) Option Holders pursuant to the Scheme of Amalgamation of SCL with the Group.

#### (B) Employee Stock Option Scheme (ESOS- 2013) including Stock Options and Restricted Stock Units (RSUs):

| Particulars                                             | Tranche I                        |                                                                                                               | Tranche II                       |                                                                                                               | Tranche III                      |                                                                                                               |
|---------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------|
|                                                         | RSUs                             | Stock Options                                                                                                 | RSUs                             | Stock Options                                                                                                 | RSUs                             | Stock Options                                                                                                 |
| No. of Options                                          | 84,056                           | 237,953                                                                                                       | 12,313                           | 34,859                                                                                                        | 2,218                            | 6,280                                                                                                         |
| Vesting Plan                                            | 100% on 19.10.2016               | Graded Vesting - 25% every year after 1 year from the date of grant, subject to achieving performance targets | 100% on 18.10.2017               | Graded Vesting - 25% every year after 1 year from the date of grant, subject to achieving performance targets | 100% on 28.01.2018               | Graded Vesting - 25% every year after 1 year from the date of grant, subject to achieving performance targets |
| Exercise Period                                         | 5 years from the date of Vesting | 5 years from the date of Vesting                                                                              | 5 years from the date of Vesting | 5 years from the date of Vesting                                                                              | 5 years from the date of Vesting | 5 years from the date of Vesting                                                                              |
| Grant Date                                              | 19.10.2013                       | 19.10.2013                                                                                                    | 18.10.2014                       | 18.10.2014                                                                                                    | 28.01.2015                       | 28.01.2015                                                                                                    |
| Exercise Price (₹ Per Share)                            | 10                               | 1,965                                                                                                         | 10                               | 2,318                                                                                                         | 10                               | 3,122                                                                                                         |
| Fair Value on the date of Grant of Option (₹ Per Share) | 1,862                            | 750                                                                                                           | 2,241                            | 870                                                                                                           | 3,048                            | 1,207                                                                                                         |
| Method of Settlement                                    | Equity                           | Equity                                                                                                        | Equity                           | Equity                                                                                                        | Equity                           | Equity                                                                                                        |



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| Particulars                                             | Tranche IV                       |                                                                                                               | Tranche V                        |                                                                                                               | Tranche VI                       |                                                                                                               |
|---------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------|
|                                                         | RSUs                             | Stock Options                                                                                                 | RSUs                             | Stock Options                                                                                                 | RSUs                             | Stock Options                                                                                                 |
| Nos. of Options                                         | 9,059                            | 25,645                                                                                                        | 5,313                            | 15,042                                                                                                        | 10,374                           | 29,369                                                                                                        |
| Vesting Plan                                            | 100% on 19.10.2018               | Graded Vesting - 25% every year after 1 year from the date of grant, subject to achieving performance targets | 100% on 13.04.2019               | Graded Vesting - 25% every year after 1 year from the date of grant, subject to achieving performance targets | 100% on 27.01.2020               | Graded Vesting - 25% every year after 1 year from the date of grant, subject to achieving performance targets |
| Exercise Period                                         | 5 years from the date of vesting | 5 years from the date of vesting                                                                              | 5 years from the date of vesting | 5 years from the date of vesting                                                                              | 5 years from the date of vesting | 5 years from the date of vesting                                                                              |
| Grant Date                                              | 19.10.2015                       | 19.10.2015                                                                                                    | 13.04.2016                       | 13.04.2016                                                                                                    | 27.01.2017                       | 27.01.2017                                                                                                    |
| Exercise Price (₹ Per Share)                            | 10                               | 2,955                                                                                                         | 10                               | 3,167                                                                                                         | 10                               | 3,681                                                                                                         |
| Fair Value on the date of Grant of Option (₹ Per Share) | 2,897                            | 1,728                                                                                                         | 3,108                            | 1,810                                                                                                         | 3,608                            | 2,080                                                                                                         |
| Method of Settlement                                    | Equity                           | Equity                                                                                                        | Equity                           | Equity                                                                                                        | Equity                           | Equity                                                                                                        |

**(C) Movement of Options Granted including RSUs along with Weighted Average Exercise Price (WAEP):**

| Name of the Company                        | As at March 31, 2018 |          | As at March 31, 2017 |          |
|--------------------------------------------|----------------------|----------|----------------------|----------|
|                                            | Nos.                 | WAEP (₹) | Nos.                 | WAEP (₹) |
| Outstanding at the beginning of the year   | 251,577              | 1,880.59 | 315,961              | 1,441.56 |
| Granted during the year                    | -                    | -        | 60,098               | 2,594.43 |
| Exercised during the year                  | (106,079)            | 1,482.43 | (76,529)             | 862.43   |
| Forfeited during the year                  | (999)                | 2,134.23 | (47,953)             | 1,507.37 |
| Outstanding at the end of the year         | 144,499              | 2,171.13 | 2,51,577             | 1,880.59 |
| Options Exercisable at the end of the year | 74,262               | 2,090.76 | 1,22,191             | 1,601.16 |

The weighted average share price at the date of exercise for options was ₹ 4,123.18 per share (March 31, 2017 ₹ 3,621.29 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 3.9 years (March 31, 2017: 4.5 years).

**(D) Fair Valuation:**

No options were granted during the year. Weighted Average Fair value of the options granted previous year is ₹ 2,366.93.

The fair value of option has been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

**(a) For ESOS- 2006:**

1. Risk Free Rate - 8% (Tranche I-V), 8.14% (Tranche VI)
2. Option Life - Vesting period (1 year) + Average of exercise period
3. Expected Volatility\* - Tranche-I: 0.49, Tranche-II: 0.52, Tranche-III: 0.30, Tranche-IV: 0.30, Tranche-V: 0.30, Tranche-VI: 0.25
4. Expected Growth in Dividend - 20%

# Notes

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## (b) For ESOS- 2013:

- |                                |   |                                                                                                                                               |
|--------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Risk Free Rate              | - | 8.5% (Tranche I), 7.8% (Tranche II-III), 8.56% (Tranche IV) 7.6% (Tranche V), 6.74% (Tranche VI)                                              |
| 2. Option Life                 | - | (a) For Options - Vesting period (1 year) + Average of exercise period<br>(b) For RSUs- Vesting period (3 years) + Average of exercise period |
| 3. Expected Volatility*        | - | Tranche-I: 0.29, Tranche-II: 0.27, Tranche-III: 0.28, Tranche-IV: 0.60, Tranche-V: 0.60, Tranche-VI: 0.61                                     |
| 4. Expected Growth in Dividend | - | Tranche -I: 20%, Tranche II-III: 15%, Tranche-IV: 5%, Tranche-V: 5%, Tranche-VI: 5%                                                           |

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the Options/RSUs up to the date of grant.

## II. Aditya Birla Capital Limited (ABCL)

At the Annual General Meeting held on 19th July, 2017, the shareholders of the Company approved the grant of not more than 3,22,86,062 Equity Shares by way of grant of Stock Options ("ESOPs") and Restricted Stock Units ("RSUs"). Out of these, the Nomination, Remuneration and Compensation Committee has granted 2,40,62,864 ESOPs and 57,42,636 RSUs under the Scheme titled "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" in 3 categories of Long Term Incentive Plans ("LTIP") identified as LTIP 1, LTIP 2 and LTIP 3. The Scheme allows for the grant of stock options to employees of the Group (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

The intrinsic value of the ESOP i.e. the difference between the fair value of the shares underlying the ESOP granted on the date of grant of option and the exercise price of the option is expensed over the vesting period.

| Features                                                           | LTIP 1                       | LTIP 2                                                                          | LTIP 3                       |                                                                                 |
|--------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------|
| Instrument                                                         | RSU                          | ESOP                                                                            | RSU                          | ESOP                                                                            |
| Plan Period                                                        | 2017-2019                    | 2017-2021                                                                       | 2017-2018                    | 2017-2022                                                                       |
| Quantum of Grant                                                   | 4,343,750                    | 11,557,872                                                                      | 1,398,886                    | 12,504,992                                                                      |
| Method of Accounting                                               | Fair Value                   | Fair Value                                                                      | Fair Value                   | Fair Value                                                                      |
| Vesting Period                                                     | 100% (2 years)               | 25% p.a.<br>(4 years)                                                           | 100% (2 years)               | 25% p.a.<br>(5 years)                                                           |
| Vesting Condition(s)                                               | Continued employment         | 75% of the consolidated Profit Before Tax achievement against annual P&B Target | Continued employment         | 75% of the consolidated Profit Before Tax achievement against annual P&B Target |
| Exercise Period                                                    | 5 Years From Date of Vesting | 5 Years From Date of Vesting                                                    | 5 Years From Date of Vesting | 5 Years From Date of Vesting                                                    |
| Grant Date                                                         | 11.08.2017                   | 11.08.2017                                                                      | 11.08.2017                   | 11.08.2017                                                                      |
| Grant / Exercise Price (₹ Per Share)                               | 10.00                        | 115.00                                                                          | 10.00                        | 115.00                                                                          |
| Market Price on the date of Grant of Original Option (₹ Per Share) | 139.00                       | 139.00                                                                          | 139.00                       | 139.00                                                                          |

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## Details of Activity in the Plan:

| Features                                           | LTIP 1    | LTIP 2     | LTIP 3    |            |
|----------------------------------------------------|-----------|------------|-----------|------------|
|                                                    | RSU       | ESOP       | RSU       | ESOP       |
| Options/RSU's Outstanding at beginning of the year | -         | -          | -         | -          |
| Granted during the year                            | 4,343,750 | 11,557,872 | 1,398,886 | 12,504,992 |
| Exercised during the year                          | -         | -          | -         | -          |
| Lapsed during the year                             | 339,000   | 112,133    | -         | -          |
| Options/RSU's Outstanding at the end of the year   | 4,004,750 | 11,445,739 | 1,398,886 | 12,504,992 |
| Options/RSU's unvested at the end of year          | 4,004,750 | 11,445,739 | 1,398,886 | 12,504,992 |
| Options/RSU's exercisable at the end of the year   | -         | -          | -         | -          |

## Fair Valuation:

The fair value of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black - Scholes Merton Formula. The key assumptions and the Fair Value are as under:

| Features                                   | LTIP 1 | LTIP 2         | LTIP 3 |                |
|--------------------------------------------|--------|----------------|--------|----------------|
|                                            | RSU    | ESOP           | RSU    | ESOP           |
| Risk Free Interest Rate (%)                | 6.5%   | 6.5% to 6.8%   | 6.5%   | 6.5% to 7.0%   |
| Option Life (Years)                        | 4.50   | 3.5 to 6.5     | 4.50   | 3.5 to 7.5     |
| Historical Volatility                      | 38.5%  | 37.0% to 38.5% | 38.5%  | 37.0% to 38.5% |
| Expected Volatility                        | -      | -              | -      | -              |
| Expected Dividend Yield (%)                | 0%     | 0%             | 0%     | 0%             |
| Weighted Average Fair Value per Option (₹) | 131.55 | 70.36          | 131.58 | 73.16          |

## III. SUBSIDIARY COMPANIES of ABCL

### (a) Aditya Birla Money Limited

#### Stock options granted under ABML – Employee Stock Option Scheme – 2014

ABML had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated 09th September, 2014. The Scheme provides that the total number of options granted there under will be 27,70,000. Each option, on exercise, is convertible into one equity share of the ABML having face value of Rs. 1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on 02nd December, 2014 has granted 25,09,341 stock options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of ₹ 34.25/-. The Exercise Price was based on the latest available closing price, prior to the 02nd December, 2014 (the date of grant by the Nomination & Remuneration Committee) on the recognized stock exchanges on which the shares of the ABML are listed with the highest trading volume.

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| Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under | As at 31st March 2018                                                  |
|----------------------------------------------------------------------------|------------------------------------------------------------------------|
| Options granted on 02nd December, 2014                                     | 2,509,341                                                              |
| Options outstanding as on 01st July, 2017                                  | 14,45,845                                                              |
| No. of options granted during the period                                   | Nil                                                                    |
| Method of Accounting                                                       | Fair Value                                                             |
| Vesting Plan                                                               | 25% every year                                                         |
| Exercise period                                                            | Within 5 years from the date of vesting of respective options          |
| Grant/Exercise price (₹ per share)                                         | 34.25/-                                                                |
| Market price as on the date of the grant                                   | ₹ 34.25/-(previous day closing price on the recognized stock exchange) |
| Options forfeited/lapsed during the period                                 | 24,176                                                                 |
| Options exercised during the period                                        | 722,138                                                                |
| Options outstanding as on 31st March, 2018                                 | 699,531                                                                |

The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

| Sr. No | Vesting Dates                    | % of options that shall vest |
|--------|----------------------------------|------------------------------|
| 1      | 12 months from the date of grant | 25% of the grant             |
| 2      | 24 months from the date of grant | 25% of the grant             |
| 3      | 36 months from the date of grant | 25% of the grant             |
| 4      | 48 months from the date of grant | 25% of the grant             |

## Fair Valuation:

The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula.

| The key assumptions are as under:                    |        |
|------------------------------------------------------|--------|
| Risk-free interest rate (%)                          | 8.13%  |
| Expected life (No. of years)                         | 5      |
| Expected volatility (%)                              | 54.26% |
| Dividend yield (%)                                   | 0      |
| Weighted Average Fair Value per Option (₹)Fair Value | 19.28  |

## (b) Aditya Birla My Universe Limited (Formerly known as Aditya Birla Customer Services Limited)

Aditya Birla My Universe Limited had formulated the ABMU Employee Stock Option Scheme – 2015 (ABMU ESOP Scheme – 2015) with the approval of the shareholders at the Annual General Meeting dated 07th July, 2015. The Scheme provides that the total number of options granted there under will be 1,134,853 equity shares. Each option, on exercise, is convertible into one equity share of the ABMU having face value of ₹ 10 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on 04th September, 2015 has granted 9,00,618 stock options to its eligible employees under the ABMU ESOP Scheme – 2015 at an exercise price of ₹ 89/-. The Exercise Price was based on the Fair value method arrived at as per valuation report issued by Independent Valuer.

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## Summary of Options granted under ABCSL ESOP Scheme is as under

| As at 31st March 2018                                      |                                                               |
|------------------------------------------------------------|---------------------------------------------------------------|
| Options outstanding as on 01st July, 2017                  | 532,287                                                       |
| Number of options granted during the year                  | -                                                             |
| Method of accounting                                       | Fair Value                                                    |
| Vesting Plan                                               | Bullet vesting on 31st March, 2018                            |
| Exercise period                                            | Within 2 years from the date of vesting of respective options |
| Grant date                                                 | 04th September, 2015                                          |
| Grant / Exercise price (₹ / share)                         | 89/-                                                          |
| Market price as on the date of the grant                   | NA                                                            |
| Options forfeited / lapsed / not opted for during the year | 532,287                                                       |
| Options exercised during the year                          | Nil                                                           |
| Options outstanding as on 31st March, 2018                 | Nil                                                           |

The ESOPs granted under the ABCSL ESOP Scheme 2015 to the eligible employee have lapsed on March 31, 2018 on account of non-achievement of vesting criteria. The tenure of ABCSL ESOP scheme 2015 has also expired on March 31, 2018. The facts of lapse of ESOPs on account of non-achievement of vesting condition and expiry of ESOP scheme 2015 were noted by Nomination and Remuneration Committee and Board of Directors in their respective meetings held on April 24, 2018.

### Fair Valuation:

The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula.

| The key assumptions are as under:                    |         |
|------------------------------------------------------|---------|
| Volatility                                           | 0%      |
| Risk free rate                                       | 7.83%   |
| Expected life                                        | 6Years  |
| Dividend yield (%)                                   | 0%      |
| Vesting Schedule                                     | 100%    |
| Weighted Average Fair Value per Option (₹)Fair Value | ₹ 20.74 |

### ABCL Incentive Plan 2017:

"The Scheme titled as "ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)" was approved by the shareholders through postal ballot on 10th April, 2017. The Nomination, Remuneration and Compensation Committee of the Company at their meeting held on 15th January, 2018, granted 14,65,927 Options and 2,52,309 Restricted Stock Units (RSUs) (Collectively called as "Stock Options") under to eligible grantees pursuant to the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited, Grasim Industries Limited and Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited). Out of the above, the Company, has granted 2,40,690 Stock Options under this Scheme to a Director of the Company. The options allotted under the Scheme are convertible into equal number of equity shares. The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions, as applicable to the Grantees under the corresponding Grasim Employee Benefit Scheme 2006 and 2013"



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| Particulars                          | ABCL Incentive Scheme                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|                                      | Options                                                                                                                                                                                                                                                                                                                                                                                                                                                | RSU's                        |
| Plan Period                          | As per Grasim Employee Benefit Scheme 2006 and 2013                                                                                                                                                                                                                                                                                                                                                                                                    |                              |
| Quantum of Grant                     | 1,465,927                                                                                                                                                                                                                                                                                                                                                                                                                                              | 252,309                      |
| Method of Accounting                 | Intrinsic                                                                                                                                                                                                                                                                                                                                                                                                                                              | Intrinsic                    |
| Vesting Period                       | The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013 and shall be subject to a minimum vesting period of one year from the date of original grant and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs or such other period as may be determined by the Nomination, Remuneration and Compensation Committee. |                              |
| Vesting Condition(s)                 | Achievements of threshold level of annual performance targets                                                                                                                                                                                                                                                                                                                                                                                          |                              |
| Exercise Period                      | 5 years from date of Vesting                                                                                                                                                                                                                                                                                                                                                                                                                           | 5 years from date of Vesting |
| Grant Date                           | 15.01.2018                                                                                                                                                                                                                                                                                                                                                                                                                                             | 15.01.2018                   |
| Grant / Exercise Price (₹ Per Share) | 10.00                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 10.00                        |

## Details of Activity in the Plan:

| Particulars                                  | Grasim - 2013 |         |
|----------------------------------------------|---------------|---------|
|                                              | Options       | RSU's   |
| Options Outstanding at beginning of the year | -             | -       |
| Granted during the year                      | 1,465,927     | 252,309 |
| Exercised during the year                    | 98,476        | 33,921  |
| Lapsed during the year                       | 12,861        | -       |
| Options Outstanding at the end of the year   | 1,354,590     | 218,388 |
| Options unvested at the end of year          | 168,433       | 59,770  |
| Options exercisable at the end of the year   | 1,186,157     | 158,618 |

Since the above grants were part of the acquisition of financial services business as part of Scheme of Arrangement amongst Aditya Birla Nuvo Limited, Grasim Industries Limited and Aditya Birla Capital Limited, and these being issued to Grasim and ABNL ESOP and RSU holders there would be no impact on earning per share arising from differences between intrinsic value and fair value of Options and RSU's.

# Notes

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## 4.5 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

### 4.5.1 Claims/Disputed Liabilities not acknowledged as Debts

|                                           | (₹ in Crore)              |                           |
|-------------------------------------------|---------------------------|---------------------------|
|                                           | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Customs Duty                              | 194.69                    | 178.46                    |
| Sales Tax/Purchase Tax/VAT                | 445.12                    | 343.38                    |
| Excise Duty/Cenvat Credit/Service Tax/GST | 1,396.15                  | 1,131.91                  |
| Entry Tax                                 | 12.27                     | 10.58                     |
| Income Tax                                | 161.23                    | -                         |
| Royalty on Limestone/Marl/Shale           | 184.00                    | 201.54                    |
| Others Statues                            | 1,015.72                  | 645.53                    |

Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

### 4.5.2 Other Money for which the Group is Contingently Liable:

Under the Jute Packaging Material (Compulsory Use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched was required to be supplied in jute bags up to 31st August, 2001. The Company made conscious efforts to use jute packaging material as required under the said Act. However, due to non-availability of material as per the Company's product specifications, as well as due to strong customer resistance to use of jute bags, the specific percentage could not be adhered to. The Company has received a show cause notice, against which a writ petition has been filed with the Hon'ble High Court, which is awaiting for hearing. The Jute Commissioner, Kolkata, had filed transfer petition, various writ petitions have been filed in different High Courts by other aggrieved parties, including the Company, before the Hon'ble Supreme Court of India, praying for consolidation of all cases at one Court. The transfer petition is pending before the Hon'ble Supreme Court. The Company has been advised that the said levy is bad in law.

### 4.5.3 UltraTech has filed appeals with the Competition Appellate Tribunal ("COMPAT") against two orders of the Competition Commission of India ("CCI") dated 31st August, 2016 and 19th January, 2017 respectively, and as per the directions of COMPAT, deposited ₹ 117.55 Crore, being 10% of the penalty imposed by CCI under its order dated 31st August, 2016. COMPAT has since granted a stay on both the CCI orders.

The Government has made changes in the constitution and operations of Tribunals, under which all matters with COMPAT have been transferred to the National Company Law Appellate Tribunal (NCLAT). Hearing of order dated 31st August, 2016, is completed at NCLAT and order is awaited.

Based on legal opinion, UltraTech believes that it has a good case and, therefore, no provision has been made in the accounts.

### 4.5.4 In respect of Idea:

On 8th January, 2013, Department of Telecommunication (DoT) issued demand notices towards one-time spectrum charges:

- for spectrum beyond 6.2 Mhz in respective services areas for retrospective period from 1st July 2008 to 31st December 2012, the Group share amounting to ₹ 85.37 Crore; and
- for spectrum beyond 4.4 Mhz in respective services areas effective 1st January 2013 till expiry of the period as per respective licenses, the Group share amounting to ₹ 403.48 Crore.

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In the opinion of Idea, inter-alia, the above demands amount to alteration of financial terms of the licences issued in the past. Idea had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT not to take any coercive action until the matter is further heard. No effect has been given in the Consolidated Financial results for the above.

## 4.5.5 Corporate Guarantees issued by Subsidiaries as under:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (₹ in Crore)              |                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| a. To Financial Institutions/Government Authorities/Others for finance provided to Joint Ventures/Subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 29.35                     | 4.00                      |
| b. To Government Authorities towards exemption for payment of Excise Duty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 3.00                      | 3.00                      |
| c. To Bank, for assistance in arrangement of interest bearing loan to Jaiprakash Associates Limited as per their request with approval of the Board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -                         | 500.00                    |
| d. Letter of comfort in favour of Binani Industries Ltd. ("BIL"), assuring arrangements of funds amounting to ₹ 7,266 Crore, to be used by BIL in support of its application seeking termination of insolvency proceedings relating to its subsidiary Binani Cement Limited ("BCL"), which was admitted by the National Company Law Tribunal, Kolkata Bench, in terms of the provisions of the Insolvency and Bankruptcy Code and acquiring 98.43% equity shares of BCL, being the total holding of BIL in BCL.<br>This is subject to termination of Insolvency proceedings, entering into definitive agreement and other customary and relevant statutory approvals, which are in process. |                           |                           |
| e. Letter of Comfort issued by the Subsidiary on behalf of clients                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 182.76                    | -                         |

|                                                                             | (₹ in Crore) |      |
|-----------------------------------------------------------------------------|--------------|------|
|                                                                             |              |      |
| 4.5.6 Bills Discounted with Banks fully covered by Buyers' Letter of Credit | -            | 4.50 |

4.5.7 Aditya Birla My Universe (ABMU), a subsidiary of the ABCL has issued 0.001% Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60 Crore to International Finance Corporation (IFC) vide shareholder agreement dated 19th December 2014, and subscription agreement dated 19th December 2014 (SHA). Under the said SHA the ABCL has granted to IFC an option to sell the shares to ABCL at fair valuation from the period beginning on the expiry of 60 months of subscription by IFC upto a maximum of 120 months from the date of subscription by IFC, in the event ABCL or ABMU fails to provide an opportunity to IFC to exit from ABCL within 60 months from date of subscription by IFC in the form of listing, secondary sale or acquisition, etc. In the event, ABCL fails to fulfill its obligation, the Company will be obligated to fulfill this obligation.

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## 4.6 CAPITAL, FINANCIAL AND OTHER COMMITMENTS

### 4.6.1 Capital Commitments

|                                                                                                                          | (₹ in Crore)              |                           |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                          | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances paid) | 1,500.03                  | 1,219.00                  |
| b. Partly Paid Investments                                                                                               | 157.98                    | -                         |

### 4.6.2 Financial and Other Commitments

#### a. Financial Commitments

|                  | (₹ in Crore)              |                           |
|------------------|---------------------------|---------------------------|
|                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Joint Ventures @ | 516.26                    | 544.90                    |
| Associates *     |                           |                           |

@ As per the agreement with the Joint Ventures, the Company is committed to make additional contribution in proportion to their interest in Joint Ventures, if required. These commitments have not been recognised in the financial statements.

\* The Board of Directors of Idea Cellular Limited (Idea), an Associate of the Company, has approved the amalgamation of Vodafone India Limited (VIL) and its wholly owned subsidiary Vodafone Mobile Services Limited with the Idea subject to requisite regulatory and other approvals.

As a promoter of Idea, the Company has undertaken to indemnify (liable jointly and severally with other promoters of Idea) upto a maximum of US\$ 500 Million to the promoters of VIL and its wholly owned subsidiary VMSL, if Idea fails to meet some of its indemnity obligation under the implementation agreement for proposed amalgamation of VIL and VMSL with Idea.

\* The Company, being the promoter of Aditya Birla Idea Payments Bank Ltd. (ABIPBL), should hold at least 40 per cent of the paid-up equity capital of ABIPBL for the first five years from the commencement of its business, as per Reserve Bank of India (RBI) guidelines for licensing of Payments Bank. RBI has granted the licence for payment bank to ABIPBL on 3rd April, 2017.

#### b. Other Commitments

1. For commitment under lease contract (Note 4.4.3)
2. For commitment under derivative contract (Note 4.11)

## 4.7 OPERATING SEGMENTS

Effective from 1st July, 2017 with the merger of erstwhile ABNL, the Group now has following operating segments:

### 4.7.1 Details of products included in each of the Segments are as under:-

|           |                                                 |
|-----------|-------------------------------------------------|
| Viscose   | - Viscose Staple Fibre, Wood Pulp and Yarn      |
| Chemicals | - Caustic Soda, Allied Chemicals and Epoxy      |
| Cement    | - Grey Cement, White Cement and Allied Products |

# Notes

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- Financial Services - Non- Bank Financial Services, Life Insurance Services, Housing Finance, Private Equity, Equity and Commodity Broking, Wealth Management, General Insurance Advisory and Health Insurance(w.e.f 1st July 2017)
- Others - Mainly Textiles, Insulators, Agri-business and Solar Power(w.e.f 1st July 2017)

## Information about Operating Segments for Current Year:

(₹ in Crore)

|                                                                                    | Viscose         | Chemicals       | Cement           | Financial Services | Others          | Eliminations    | Total            |
|------------------------------------------------------------------------------------|-----------------|-----------------|------------------|--------------------|-----------------|-----------------|------------------|
| <b>REVENUE</b>                                                                     |                 |                 |                  |                    |                 |                 |                  |
| Sales (As reported)                                                                | 8,442.57        | 4,156.86        | 31,855.29        | 8,491.55           | 3,317.56        | -               | 56,263.83        |
| Sales (Inter-Segment)                                                              | 16.56           | 879.40          | 11.90            | 8.11               | 0.30            | (916.27)        | -                |
| <b>Total Sales (Note 3.1)</b>                                                      | <b>8,459.13</b> | <b>5,036.26</b> | <b>31,867.19</b> | <b>8,499.66</b>    | <b>3,317.86</b> | <b>(916.27)</b> | <b>56,263.83</b> |
| Other Income (including Other Operating Revenues)                                  | 120.29          | 82.76           | 990.91           | 593.39             | 70.47           | (21.66)         | 1,836.16         |
| Unallocated Corporate Other Income                                                 |                 |                 |                  |                    |                 |                 | 228.44           |
| <b>Total Other Income</b>                                                          | <b>120.29</b>   | <b>82.76</b>    | <b>990.91</b>    | <b>593.39</b>      | <b>70.47</b>    | <b>(21.66)</b>  | <b>2,064.60</b>  |
| <b>Total Revenue</b>                                                               | <b>8,579.42</b> | <b>5,119.02</b> | <b>32,858.10</b> | <b>9,093.05</b>    | <b>3,388.33</b> | <b>(937.93)</b> | <b>58,328.43</b> |
| <b>RESULTS</b>                                                                     |                 |                 |                  |                    |                 |                 |                  |
| <b>Segment Results (PBIT)</b>                                                      | <b>1,383.75</b> | <b>1,088.20</b> | <b>4,880.95</b>  | <b>515.00</b>      | <b>197.72</b>   | <b>9.18</b>     | <b>8,074.80</b>  |
| Unallocated Corporate Income/(Expenses)                                            |                 |                 |                  |                    |                 |                 | 81.93            |
| Finance Costs                                                                      |                 |                 |                  |                    |                 |                 | (1,359.13)       |
| <b>Profit before Exceptional Items and Tax</b>                                     |                 |                 |                  |                    |                 |                 | <b>6,797.60</b>  |
| Exceptional Items                                                                  |                 |                 |                  |                    |                 |                 | (432.85)         |
| <b>Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees</b>  |                 |                 |                  |                    |                 |                 | <b>6,364.75</b>  |
| Share in Profit of Joint Ventures and Associates (Allocable to Operating Segments) | 120.09          | -               | (0.13)           | 127.50             | (1.25)          | -               | 246.21           |
| Share in Profit of Joint Ventures and Associates (Unallocable)                     |                 |                 |                  |                    |                 |                 | (973.65)         |
| <b>Profit Before Tax</b>                                                           |                 |                 |                  |                    |                 |                 | <b>5,637.31</b>  |
| Current Tax                                                                        |                 |                 |                  |                    |                 |                 | 1,831.69         |
| Provision for Tax of Earlier Years Written Back                                    |                 |                 |                  |                    |                 |                 | (97.86)          |
| Deferred Tax                                                                       |                 |                 |                  |                    |                 |                 | 213.29           |



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(₹ in Crore)

|                                                                                                                      | Viscose         | Chemicals       | Cement           | Financial Services | Others          | Eliminations   | Total              |
|----------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|------------------|--------------------|-----------------|----------------|--------------------|
| <b>Profit for the period including Profit of Life Insurance Business attributable to Participating Policyholders</b> |                 |                 |                  |                    |                 |                | <b>3,690.19</b>    |
| Less : Profit/ (loss) attributable to Participating policyholders of Life Insurance Business                         | -               | -               | -                | (2.57)             | -               | -              | (2.57)             |
| <b>Profit for the period before Non-Controlling Interest</b>                                                         |                 |                 |                  |                    |                 |                | <b>3,687.62</b>    |
| Less: Non-Controlling Interest                                                                                       |                 |                 |                  |                    |                 |                | (1,009.04)         |
| <b>Profit for the Year</b>                                                                                           |                 |                 |                  |                    |                 |                | <b>2,678.58</b>    |
| <b>OTHER INFORMATION</b>                                                                                             |                 |                 |                  |                    |                 |                |                    |
| <b>Segment Assets</b>                                                                                                | <b>8,419.36</b> | <b>5,251.70</b> | <b>58,884.03</b> | <b>114,103.47</b>  | <b>4,122.04</b> | <b>(57.26)</b> | <b>1,90,723.34</b> |
| Investment in Associates/ Joint Ventures (Allocable to Operating Segments)                                           | 1,073.41        | -               | 10.81            | 4,886.97           | 59.97           | -              | 6,031.16           |
| Investment in Associates/ Joint Ventures (Unallocable)                                                               |                 |                 |                  |                    |                 |                | 7,901.52           |
| Unallocated Corporate Assets                                                                                         |                 |                 |                  |                    |                 |                | 3,211.18           |
| <b>Total Assets</b>                                                                                                  |                 |                 |                  |                    |                 |                | <b>207,867.20</b>  |
| <b>Segment Liabilities</b>                                                                                           | <b>3,240.26</b> | <b>1,298.63</b> | <b>27,134.12</b> | <b>83,923.19</b>   | <b>1,926.63</b> | <b>(66.16)</b> | <b>117,456.67</b>  |
| Unallocated Corporate Liabilities                                                                                    |                 |                 |                  |                    |                 |                | 6,711.80           |
| <b>Total Liabilities</b>                                                                                             |                 |                 |                  |                    |                 |                | <b>124,168.47</b>  |
| <b>Additions to Non-Current Assets</b>                                                                               | <b>1,246.62</b> | <b>553.61</b>   | <b>18,287.92</b> | <b>131.64</b>      | <b>57.39</b>    | <b>-</b>       | <b>20,277.18</b>   |
| Unallocated Corporate Capital Expenditure                                                                            |                 |                 |                  |                    |                 |                | 14.00              |
| <b>Total Additions Non-Current Assets</b>                                                                            |                 |                 |                  |                    |                 |                | <b>20,291.18</b>   |
| <b>Depreciation and Amortisation</b>                                                                                 | <b>296.24</b>   | <b>211.77</b>   | <b>1,847.93</b>  | <b>243.45</b>      | <b>111.45</b>   | <b>-</b>       | <b>2,710.84</b>    |
| Unallocated Corporate Depreciation and Amortisation                                                                  |                 |                 |                  |                    |                 |                | 13.52              |
| <b>Total Depreciation and Amortisation</b>                                                                           |                 |                 |                  |                    |                 |                | <b>2,724.36</b>    |

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(₹ in Crore)

|                                                                                             | Viscose | Chemicals | Cement | Financial Services | Others | Eliminations | Total  |
|---------------------------------------------------------------------------------------------|---------|-----------|--------|--------------------|--------|--------------|--------|
| <b>Significant Non-Cash Expenses other than Depreciation and Amortisation (Allocable)</b>   | -       | 5.65      | 354.45 | 89.55              | -      |              | 449.65 |
| <b>Significant Non-Cash Expenses other than Depreciation and Amortisation (Unallocable)</b> |         |           |        |                    |        |              | 55.78  |

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

## Information about Operating Segments for Previous Year:

Details of products included in each of the Segments are as under:-

- Fibre and Pulp - Viscose Staple Fibre and Wood Pulp
- Chemicals - Caustic Soda, Allied Chemicals and Epoxy
- Cement - Grey Cement, White Cement and Allied Products
- Others - Mainly Textiles

(₹ in Crore)

|                                                                                   | Fibre & Pulp    | Chemicals       | Cement           | Others        | Eliminations    | Total            |
|-----------------------------------------------------------------------------------|-----------------|-----------------|------------------|---------------|-----------------|------------------|
| <b>REVENUE</b>                                                                    |                 |                 |                  |               |                 |                  |
| Sales (As reported)                                                               | 7,600.37        | 3,405.51        | 28,355.55        | 445.62        | -               | 39,807.05        |
| Sales (Inter-Segment)                                                             | 36.80           | 704.60          | 7.06             | 0.60          | (749.06)        | -                |
| <b>Total Sales (Note 3.1)</b>                                                     | <b>7,637.17</b> | <b>4,110.11</b> | <b>28,362.61</b> | <b>446.22</b> | <b>(749.06)</b> | <b>39,807.05</b> |
| Other Income (including Other Operating Revenues)                                 | 101.51          | 79.15           | 484.45           | 24.20         | (15.55)         | 673.76           |
| Unallocated Corporate Other Income                                                |                 |                 |                  |               |                 | 714.12           |
| <b>Total Other Income</b>                                                         | <b>101.51</b>   | <b>79.15</b>    | <b>484.45</b>    | <b>24.20</b>  | <b>(15.55)</b>  | <b>1,387.88</b>  |
| <b>Total Revenue</b>                                                              | <b>7,738.68</b> | <b>4,189.26</b> | <b>28,847.06</b> | <b>470.42</b> | <b>(764.61)</b> | <b>41,194.93</b> |
| <b>RESULTS</b>                                                                    |                 |                 |                  |               |                 |                  |
| <b>Segment Results (PBIT)</b>                                                     | <b>1,206.10</b> | <b>639.94</b>   | <b>4,065.23</b>  | <b>14.95</b>  | <b>(4.63)</b>   | <b>5,921.59</b>  |
| Unallocated Corporate Income/ (Expenses)                                          |                 |                 |                  |               |                 | 603.71           |
| Finance Costs                                                                     |                 |                 |                  |               |                 | (702.40)         |
| <b>Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees</b> |                 |                 |                  |               |                 | <b>5,822.90</b>  |

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(₹ in Crore)

|                                                                                             | Fibre & Pulp    | Chemicals       | Cement           | Others        | Eliminations   | Total            |
|---------------------------------------------------------------------------------------------|-----------------|-----------------|------------------|---------------|----------------|------------------|
| Share in Profit of Joint Ventures and Associates (allocable to Operating segments)          | 134.89          | 0.02            | -                | -             | -              | 134.91           |
| Share in Profit of Joint Ventures and Associates (Unallocable)                              |                 |                 |                  |               |                | (5.50)           |
| <b>Profit Before Tax</b>                                                                    |                 |                 |                  |               |                | <b>5,952.31</b>  |
| Current Tax                                                                                 |                 |                 |                  |               |                | 1,345.99         |
| Deferred Tax                                                                                |                 |                 |                  |               |                | 360.71           |
| <b>Profit After Tax</b>                                                                     |                 |                 |                  |               |                | <b>4,245.61</b>  |
| Less: Non-controlling Interest                                                              |                 |                 |                  |               |                | (1,078.31)       |
| <b>Net Profit</b>                                                                           |                 |                 |                  |               |                | <b>3,167.30</b>  |
| <b>OTHER INFORMATION</b>                                                                    |                 |                 |                  |               |                |                  |
| <b>Segment Assets</b>                                                                       | <b>5,960.08</b> | <b>4,418.77</b> | <b>43,984.21</b> | <b>364.99</b> | <b>(14.50)</b> | <b>54,713.55</b> |
| Investment in Associates/ Joint Ventures (allocable to operating segments)                  | 896.69          | 7.44            | -                | -             | -              | 904.13           |
| Investment in Associates/ Joint Ventures (Unallocable)                                      |                 |                 |                  |               |                | 1,252.16         |
| Unallocated Corporate Assets                                                                |                 |                 |                  |               |                | 5,898.00         |
| <b>Total Assets</b>                                                                         |                 |                 |                  |               |                | <b>62,767.84</b> |
| <b>Segment Liabilities</b>                                                                  | <b>1,886.22</b> | <b>683.28</b>   | <b>14,472.24</b> | <b>181.43</b> | <b>(7.08)</b>  | <b>17,216.09</b> |
| Unallocated Corporate Liabilities                                                           |                 |                 |                  |               |                | 4,462.74         |
| <b>Total Liabilities</b>                                                                    |                 |                 |                  |               |                | <b>21,678.83</b> |
| <b>Additions to Non-Current Assets</b>                                                      | <b>204.64</b>   | <b>228.52</b>   | <b>1,293.70</b>  | <b>10.06</b>  | <b>-</b>       | <b>1,736.92</b>  |
| Unallocated Corporate Capital Expenditure                                                   |                 |                 |                  |               |                | 3.02             |
| <b>Total Additions Non-Current Assets</b>                                                   |                 |                 |                  |               |                | <b>1,739.94</b>  |
| <b>Depreciation and Amortisation</b>                                                        | <b>232.99</b>   | <b>201.05</b>   | <b>1,348.41</b>  | <b>13.11</b>  | <b>-</b>       | <b>1,795.56</b>  |
| Unallocated Corporate Depreciation and Amortisation                                         |                 |                 |                  |               |                | 12.03            |
| <b>Total Depreciation and Amortisation</b>                                                  |                 |                 |                  |               |                | <b>1,807.59</b>  |
| <b>Significant Non-Cash Expenses other than Depreciation and Amortisation (Allocable)</b>   | <b>2.73</b>     | <b>5.87</b>     | <b>32.75</b>     | <b>1.13</b>   | <b>-</b>       | <b>42.48</b>     |
| <b>Significant Non-Cash Expenses other than Depreciation and Amortisation (Unallocable)</b> |                 |                 |                  |               |                | <b>16.05</b>     |

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## 4.7.2 Geographical Segments

The Company's Operating Facilities are located in India.

|                                          | (₹ in Crore)     |                  |
|------------------------------------------|------------------|------------------|
|                                          | Current Year     | Previous Year    |
| <b>Segment Revenues (Gross Sales):</b>   |                  |                  |
| India                                    | 54,341.52        | 37,987.22        |
| Rest of the World                        | 1,922.31         | 1,819.83         |
| <b>Total</b>                             | <b>56,263.83</b> | <b>39,807.05</b> |
| <b>Addition to Non-Current Assets \$</b> |                  |                  |
| India                                    | 20,133.45        | 1,607.00         |
| Rest of the World                        | 143.73           | 129.92           |
| <b>Total</b>                             | <b>20,277.18</b> | <b>1,736.92</b>  |

\$ Non-current assets excludes Financial Assets, Equity Accounted Investees, Deferred Tax Assets and Non-Current Tax Assets.

## 4.7.3 The Carrying Amount of Non-Current Operating Assets by location of Assets:

|                           | (₹ in Crore)          |                       |
|---------------------------|-----------------------|-----------------------|
|                           | As at 31st March 2018 | As at 31st March 2017 |
| <b>Non-Current Assets</b> |                       |                       |
| India                     | 72,810.61             | 34,241.43             |
| Rest of the World         | 2,240.51              | 2,432.85              |
| <b>Total</b>              | <b>75,051.12</b>      | <b>36,674.28</b>      |

## 4.7.4 Information about Major Customers

No single customer represents 10% or more of the Group's total revenue for the year ended 31st March, 2018 and the year ended 31st March, 2017.

## 4.8 RELATED PARTY TRANSACTIONS:

### 4.8.1 Related Parties with whom transactions have taken place during the year :

#### Joint Ventures:

AV Group NB Inc., Canada  
 Birla Jingwei Fibres Company Limited, China  
 Birla Laos Pulp & Plantations Company Limited, Laos  
 Aditya Group AB, Sweden  
 AVTerrace Bay Inc., Canada  
 Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi  
 Bhaskarpara Coal Company Limited  
 Aditya Birla Solar Limited (w.e.f.1st July, 2017)  
 Aditya Birla Renewables Limited (w.e.f.1st July, 2017)  
 Aditya Birla Wellness Private Limited (w.e.f.1st July, 2017)  
 Aditya Birla Sun Life AMC Limited (w.e.f.1st July, 2017)

# Notes

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## Key Management Personnel (KMP):

Shri Kumar Mangalam Birla, Non-Executive Director  
 Smt. Rajashree Birla, Non-Executive Director  
 Shri Dilip Gaur, Managing Director (w.e.f. 1st April, 2016)  
 Shri B.V. Bhargava, Non-Executive Director  
 Shri R.C. Bhargava, Non-Executive Director (upto 1st October, 2016)  
 Shri K.K. Maheshwari, Non-Executive Director (upto 27th December, 2016)  
 Shri M.L. Apte, Non-Executive Director  
 Shri Cyril Shroff, Non-Executive Director  
 Dr. Thomas Connelly, Jr, Non-Executive Director  
 Shri Shailendra K Jain, Non-Executive Director  
 Shri N. Mohan Raj, Non-Executive Director  
 Shri O.P. Rungta, Non-Executive Director  
 Shri Arun Thiagarajan, Non-Executive Director (w.e.f. 7th May 2016)  
 Shri Sushil Agarwal, Whole-time Director and CFO  
 Key Management Personnel of Subsidiaries (Material)

## Associates:

Aditya Birla Science & Technology Company Private Limited  
 Idea Cellular Limited  
 Madanpur (North) Coal Company Private Limited  
 Aditya Birla IDEA Payments Bank Limited (w.e.f. 1st July, 2017)  
 Aditya Birla Renewable SPV 1 Limited (Subsidiary's Associate) (w.e.f. 19th June, 2017)

## Post-Employment Benefits Plan:

Grasim Industries Limited Employees Provident Fund  
 Provident Fund of Aditya Birla Nuvo Limited  
 Indo gulf Fertilisers Employee Provident Fund Trust  
 Jayashree Provident Fund Institution  
 Century Rayon Provident Fund Trust  
 Grasim (Senior Executive and Officers) Superannuation Scheme  
 Grasim Industries Limited Employees' Gratuity Fund

## Other Related Parties in which Directors are interested:

Shailendra Jain & Co.  
 Prafulla Brothers  
 Birla Group Holding Private Limited  
 Shri Suvarat Jain  
 Shri Devarat Jain  
 Shardul Amarchand Mangaldas & Co.

## Relatives of Key Management Personnel:

Relatives of Key Management Personnel of Subsidiaries



# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## 4.8.2 Disclosure of Related Party Transactions:

|                                                                                             | (₹ in Crore)    |                 |
|---------------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                             | Current Year    | Previous Year   |
| <b>(a) Sale of Products and Services (Gross)</b>                                            |                 |                 |
| <b>Joint Ventures</b>                                                                       |                 |                 |
| Birla Jingwei Fibres Company Limited                                                        | 205.49          | 166.40          |
| Aditya Birla Renewables Limited                                                             | 8.17            | -               |
| Aditya Birla Solar Limited                                                                  | 13.26           | -               |
| <b>Total</b>                                                                                | <b>226.92</b>   | <b>166.40</b>   |
| <b>(b) Interest and Other Operating Income</b>                                              |                 |                 |
| <b>Joint Ventures (including Subsidiary's Joint Ventures)</b>                               |                 |                 |
| Aditya Birla Sun Life AMC Limited                                                           | 7.56            | -               |
| AV Group NB Inc.                                                                            | 1.19            | 1.98            |
| Aditya Birla Wellness Private Limited                                                       | 1.05            | -               |
| <b>Associates</b>                                                                           |                 |                 |
| Aditya Birla Science & Technology Company Private Limited                                   | 1.32            | 0.93            |
| Idea Cellular Limited                                                                       | 1.95            | 9.44            |
| Aditya Birla Idea Payments Bank Limited                                                     | 0.87            |                 |
| Others                                                                                      | 0.67            | 0.67            |
| <b>Total</b>                                                                                | <b>14.61</b>    | <b>13.02</b>    |
| <b>(c) Dividend Received</b>                                                                |                 |                 |
| <b>Associates</b>                                                                           |                 |                 |
| Idea Cellular Limited                                                                       | -               | 10.26           |
| <b>Joint Venture</b>                                                                        |                 |                 |
| Aditya Birla Sun Life AMC Limited                                                           | 101.90          | -               |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi                                         | 3.02            | 7.32            |
| <b>Total</b>                                                                                | <b>104.92</b>   | <b>17.58</b>    |
| <b>(d) Dividend Paid</b>                                                                    |                 |                 |
| Birla Group Holding Private Limited                                                         | 3.01            | 0.03            |
| <b>(e) Purchase of Goods/Payment of Other Services (Net of Cenvat Credit, if available)</b> |                 |                 |
| <b>Joint Ventures</b>                                                                       |                 |                 |
| AV Group NB Inc.                                                                            | 727.04          | 725.07          |
| Aditya Group AB                                                                             | 334.77          | 504.14          |
| Birla Jingwei Fibres Company Limited                                                        | 0.61            | -               |
| <b>Associates</b>                                                                           |                 |                 |
| Aditya Birla Science & Technology Company Private Limited                                   | 24.62           | 24.94           |
| Idea Cellular Limited                                                                       | 5.91            | 1.82            |
| Others                                                                                      | 0.20            | -               |
| Relatives of KMP                                                                            | 0.26            | 0.11            |
| Others                                                                                      | 0.03            | -               |
| Other related parties in which Directors are interested                                     | 0.71            | 0.27            |
| KMPs (inclusive of Sitting Fees and Directors' Commission)                                  | 109.72          | 58.14           |
| <b>Total</b>                                                                                | <b>1,203.87</b> | <b>1,314.49</b> |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                                              | (₹ in Crore) |               |
|--------------------------------------------------------------|--------------|---------------|
|                                                              | Current Year | Previous Year |
| <b>(f) Loans Given</b>                                       |              |               |
| <b>Associates</b>                                            |              |               |
| Aditya Birla Idea Payments Bank Limited                      | 17.75        | -             |
| Aditya Birla Renewable SPV 1 Limited                         | 7.15         | -             |
| <b>Joint Ventures</b>                                        |              |               |
| Aditya Birla Renewables Limited                              | 23.95        | -             |
| Aditya Birla Solar Limited                                   | 6.30         | -             |
|                                                              | 55.15        | -             |
| <b>(g) Repayment against Loans Given</b>                     |              |               |
| <b>Associates</b>                                            |              |               |
| Aditya Birla Science & Technology Company Private Limited    | 2.20         | -             |
| Aditya Birla Idea Payments Bank Limited                      | 17.75        | -             |
| Aditya Birla Renewable SPV 1 Limited                         | 7.15         | -             |
| <b>Joint Ventures</b>                                        |              |               |
| AV Group NB Inc.                                             | 32.80        | -             |
| Aditya Birla Renewables Limited                              | 23.95        | -             |
| Aditya Birla Solar Limited                                   | 2.00         | -             |
|                                                              | 85.85        | -             |
| <b>(h) Investment in Equity Shares</b>                       |              |               |
| <b>Joint Ventures</b>                                        |              |               |
| Aditya Birla Renewables Limited                              | 35.28        | -             |
| Aditya Birla Wellness Private Limited                        | -            | -             |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi          | -            | (56.20)       |
| Birla Laos Pulp & Plantations Company Limited                | -            | 0.53          |
| <b>Associates</b>                                            |              |               |
| Aditya Birla Idea Payments Bank Limited                      | 103.20       | -             |
|                                                              | 138.48       | (55.67)       |
| <b>(i) Contribution to Post-Retirement Funds</b>             |              |               |
| Grasim Industries Limited Employees Provident Fund           | 7.78         | 6.83          |
| Grasim (Senior Executive and Officers) Superannuation Scheme | 11.10        | 6.96          |
| Jayashree Provident Fund Institution                         | 3.00         | -             |
| Provident Fund of Aditya Birla Nuvo Limited                  | 3.40         | -             |
| Indo Gulf Fertilizer Employee Provident Fund Trust           | 1.69         | -             |
| Century Rayon Provident Fund Trust                           | 1.16         | -             |
| Grasim Industries Limited Employees' Gratuity Fund           | 35.74        | 28.99         |
|                                                              | 63.87        | 42.78         |
| <b>(j) Receipts from Post Retirement Fund</b>                |              |               |
| Grasim Industries Limited Employees' Gratuity Fund           | 3.30         | 1.45          |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                                                    | (₹ in Crore) |               |
|--------------------------------------------------------------------|--------------|---------------|
|                                                                    | Current Year | Previous Year |
| <b>(k) Deposit Given</b>                                           |              |               |
| Relatives of KMP                                                   | -            | 5.00          |
| <b>(l) Reimbursement of costs (net)</b>                            |              |               |
| <b>Joint Venures (including Subsidiary Joint Ventures)</b>         |              |               |
| Aditya Birla Sun Life AMC Limited                                  | 46.39        | -             |
| Aditya Birla Wellness Private Limited                              | (1.00)       | -             |
|                                                                    | 45.39        | -             |
| <b>(m) Compensation of Key Management Personnel of the Company</b> |              |               |
| Short-Term Employee benefits                                       | 57.15        | 16.08         |
| Post-Retirement benefits                                           | 1.42         | 5.42          |
| Share based Payments                                               | 15.59        | 2.97          |
|                                                                    | 74.16        | 24.47         |

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with the shareholders' approval, wherever necessary.

Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information.

|                                                           |        |        |
|-----------------------------------------------------------|--------|--------|
| <b>Outstanding Balances as on the year end</b>            |        |        |
| <b>(a) Trade Payables</b>                                 |        |        |
| <b>Joint Ventures</b>                                     |        |        |
| AV Group NB Inc.                                          | 179.24 | 131.82 |
| Aditya Group AB                                           | 51.89  | 43.50  |
| Aditya Birla Sun Life AMC Limited                         | 3.92   | -      |
| Aditya Birla Wellness Private Limited                     | 5.80   | -      |
| <b>Associates</b>                                         |        |        |
| Idea Cellular Limited                                     | 0.07   | -      |
| Others                                                    | 0.19   | -      |
| <b>Total</b>                                              | 241.11 | 175.32 |
| <b>(b) Other Current and Non-Current Liabilities</b>      |        |        |
| <b>Associates</b>                                         |        |        |
| Aditya Birla Science & Technology Company Private Limited | 0.02   | -      |
| <b>Joint Ventures</b>                                     |        |        |
| Aditya Birla Sun Life AMC Limited                         | 0.62   | -      |
| <b>Total</b>                                              | 0.64   | -      |
| <b>(c) Trade Receivables</b>                              |        |        |
| <b>Joint Ventures</b>                                     |        |        |
| Birla Jingwei Fibres Company Limited                      | 23.33  | 39.07  |
| AVTerrace Bay Inc.                                        | 0.05   | -      |
| Aditya Birla Renewables Limited                           | 6.77   | -      |

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

|                                                           | (₹ in Crore) |               |
|-----------------------------------------------------------|--------------|---------------|
|                                                           | Current Year | Previous Year |
| Aditya Birla Solar Limited                                | 32.25        | -             |
| Aditya Birla Sun Life AMC Limited                         | 0.39         | -             |
| Aditya Birla Wellness Private Limited                     | 3.77         | -             |
| <b>Associates</b>                                         |              |               |
| Idea Cellular Limited                                     | 0.20         | 1.40          |
| <b>Total</b>                                              | <b>66.76</b> | <b>40.47</b>  |
| <b>(d) Loans and Advances</b>                             |              |               |
| <b>Associate</b>                                          |              |               |
| Aditya Birla Science & Technology Company Private Limited | 55.58        | 44.19         |
| <b>Joint Ventures</b>                                     |              |               |
| Aditya Birla Solar Limited                                | 4.30         | -             |
| AV Group NB Inc.                                          | -            | 32.80         |
| Others                                                    | 2.49         | 2.49          |
| <b>Total</b>                                              | <b>62.37</b> | <b>79.48</b>  |
| <b>(e) Other Current Assets (Financial)</b>               |              |               |
| <b>Joint Ventures</b>                                     |              |               |
| Aditya Birla Sun Life AMC Limited                         | 0.02         | -             |
| <b>(f) Deposit</b>                                        |              |               |
| Relatives of KMP                                          | 5.00         | 5.00          |

The Board of Directors of Idea Cellular Limited (Idea), an Associate of the Company has approved the amalgamation of Vodafone India Limited (VIL) and its wholly owned subsidiary Vodafone Mobile Services Limited with the Idea subject to requisite regulatory and other approvals. As a promoter of Idea, the Company has undertaken to indemnify (liable jointly and severally with other promoters of Idea) upto a maximum of US\$ 500 Million to the promoters of VIL and its wholly owned subsidiary VMSL, if Idea fails to meet some of its indemnity obligation under the implementation agreement for the proposed amalgamation of VIL and VMSL with Idea.

## Terms and Condition of Transaction with Related Parties

The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The above transactions are as per the approval of the Audit Committee.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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## 4.9 RETIREMENT BENEFITS

### 4.9.1 Defined Benefit Plans as per Actuarial Valuation:

#### Gratuity(Funded by the Company):

The Company operates gratuity plan through a trust for its all employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of service, whichever is earlier, of an amount equivalent to 15 to 30 days' salary for each completed year of service as per rules framed in this regard. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. In case of majority of employees, the Company's scheme is more favourable as compared to the obligation under the payment of Gratuity Act, 1972.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Ind AS-19 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

#### Inherent Risk:

The plan is defined benefit in nature, which is sponsored by the Company, and hence, it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, changes in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

#### Pension:

The Company provides pension to few retired employees as approved by the Board of Directors.

#### Post-Retirement Medical Benefits:

The Company provides post-retirement medical benefits to certain ex-employees, who were transferred under the Scheme of arrangement for acquiring Larsen & Toubro cement business, and eligible for such benefits from earlier Company.

#### Inherent Risk:

The plan is of a defined benefit in nature, which is sponsored by the Company, and, hence, it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in salary increases for serving employees/pension increase for pensioners or adverse demographic experience can result in an increase in the cost of providing these benefits to employees in future. In this case, the pension is paid directly by the Company (instead of pension being bought out from an insurance company) during the lifetime of the pensioners/beneficiaries and, hence, the plan carries the longevity risks.



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## 4.9.1 Gratuity and Pension:

(₹ in Crore)

|       |                                                                          | Gratuity     |        |               |        | Pension      |                                  |               |                                  |
|-------|--------------------------------------------------------------------------|--------------|--------|---------------|--------|--------------|----------------------------------|---------------|----------------------------------|
|       |                                                                          | Current Year |        | Previous Year |        | Current Year |                                  | Previous Year |                                  |
|       |                                                                          | Funded       | Others | Funded        | Others | Pension      | Post-Retirement Medical Benefits | Pension       | Post-Retirement Medical Benefits |
| (i)   | <b>Reconciliation of Present Value of the Obligation:</b>                |              |        |               |        |              |                                  |               |                                  |
|       | Opening Defined Benefit Obligation                                       | 663.95       | 20.49  | 591.89        | 18.45  | 16.34        | 0.61                             | 16.09         | 0.57                             |
|       | Effect of Loss of Control in a Subsidiary                                | -            | (0.19) | -             | -      | -            | -                                | -             | -                                |
|       | Adjustments of:                                                          |              |        |               |        |              |                                  |               |                                  |
|       | Current Service Cost                                                     | 64.77        | 3.05   | 43.45         | 3.07   | -            | -                                | -             | -                                |
|       | Past Service Cost                                                        | 3.01         | -      | -             | -      | 22.98        | -                                | -             | -                                |
|       | Interest Cost                                                            | 55.76        | 0.95   | 45.02         | 0.84   | 1.39         | 0.04                             | 1.22          | 0.04                             |
|       | Actuarial Loss/(Gain)                                                    | (17.44)      | (0.46) | 31.99         | (0.68) | 1.59         | (0.01)                           | 1.18          | 0.03                             |
|       | Liabilities Assumed on Acquisition/(Settled on Divestiture)              | 304.47       | 0.91   | -             | -      | 6.54         | -                                | -             | -                                |
|       | Benefits Paid                                                            | (56.51)      | (1.10) | (48.40)       | (1.19) | (5.56)       | (0.06)                           | (2.15)        | (0.03)                           |
|       | Closing Defined Benefit Obligation                                       | 1,018.01     | 23.65  | 663.95        | 20.49  | 43.28        | 0.58                             | 16.34         | 0.61                             |
| (ii)  | <b>Reconciliation of Fair Value of the Plan Assets:</b>                  |              |        |               |        |              |                                  |               |                                  |
|       | Opening Fair Value of the Plan Assets                                    | 680.38       | -      | 578.39        | -      | -            | -                                | -             | -                                |
|       | Adjustments of:                                                          |              |        |               |        |              |                                  |               |                                  |
|       | Return on Plan Assets                                                    | 57.22        | -      | 45.36         | -      | -            | -                                | -             | -                                |
|       | Actuarial Gain/(Loss)                                                    | 6.99         | -      | 6.08          | -      | -            | -                                | -             | -                                |
|       | Contributions by the Employer                                            | 74.03        | -      | 98.95         | -      | 5.56         | 0.06                             | 2.15          | 0.03                             |
|       | Assets Acquired on Acquisition/(Distributed on Divestiture)              | 283.37       | -      | -             | -      | -            | -                                | -             | -                                |
|       | Benefits Paid                                                            | (56.51)      | -      | (48.40)       | -      | (5.56)       | (0.06)                           | (2.15)        | (0.03)                           |
|       | Closing Fair Value of the Plan Assets                                    | 1,045.48     | -      | 680.38        | -      | -            | -                                | -             | -                                |
| (iii) | <b>Net Liabilities/(Assets) recognised in the Balance Sheet:</b>         |              |        |               |        |              |                                  |               |                                  |
|       | Present Value of the Defined Benefit Obligation at the end of the period | 1,018.01     | 23.65  | 663.95        | 20.49  | 43.28        | 0.58                             | 16.34         | 0.61                             |

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(₹ in Crore)

|      |                                                                                                                    | Gratuity     |        |               |        | Pension      |                                  |               |                                  |
|------|--------------------------------------------------------------------------------------------------------------------|--------------|--------|---------------|--------|--------------|----------------------------------|---------------|----------------------------------|
|      |                                                                                                                    | Current Year |        | Previous Year |        | Current Year |                                  | Previous Year |                                  |
|      |                                                                                                                    | Funded       | Others | Funded        | Others | Pension      | Post-Retirement Medical Benefits | Pension       | Post-Retirement Medical Benefits |
|      | Fair Value of the Plan Assets                                                                                      | 1,045.48     | -      | 680.38        | -      | -            | -                                | -             | -                                |
|      | Net Liabilities/(Assets) recognised in the Balance Sheet                                                           | (27.47)      | 23.65  | (16.43)       | 20.49  | 43.28        | 0.58                             | 16.34         | 0.61                             |
| (iv) | <b>Amount recognised in Salary and Wages under Employee Benefits Expenses in the Statement of Profit and Loss:</b> |              |        |               |        |              |                                  |               |                                  |
|      | Current Service Cost                                                                                               | 64.77        | 3.05   | 43.45         | 3.07   | -            | -                                | -             | -                                |
|      | Past Service Cost                                                                                                  | 3.01         | -      | -             | -      | 22.98        | -                                | -             | -                                |
|      | Interest on Defined Benefit Obligations (Net)                                                                      | 29.49        | 0.95   | 28.21         | 0.84   | 1.39         | 0.04                             | 1.22          | 0.04                             |
|      | Expected Return on Plan Assets                                                                                     | (30.96)      | -      | (28.55)       | -      | -            | -                                | -             | -                                |
|      | Net Cost                                                                                                           | 66.31        | 4.00   | 43.11         | 3.91   | 24.37        | 0.04                             | 1.22          | 0.04                             |
|      | Capitalised as Pre-Operative Expenses in respect of Projects and other adjustments                                 | (0.15)       | -      | (0.07)        | -      | -            | -                                | -             | -                                |
|      | Net Charge to the Statement of Profit and Loss                                                                     | 66.16        | 4.00   | 43.04         | 3.91   | 24.37        | 0.04                             | 1.22          | 0.04                             |
| (v)  | <b>Amount recognised in Other Comprehensive Income (OCI) for the Year</b>                                          |              |        |               |        |              |                                  |               |                                  |
|      | Changes in Financial Assumptions                                                                                   | (18.15)      | 0.02   | 41.81         | 0.10   | (1.59)       | (0.02)                           | 0.84          | 0.02                             |
|      | Changes in Demographic Assumptions                                                                                 | (10.78)      | -      | (11.24)       | -      | -            | -                                | -             | -                                |
|      | Experience Adjustments                                                                                             | 11.49        | (0.48) | 1.42          | (0.78) | 3.18         | 0.01                             | 0.34          | 0.01                             |
|      | Actual Return on Plan Assets less Interest on Plan Assets                                                          | (6.99)       | -      | (6.08)        | -      | -            | -                                | -             | -                                |
|      | Less: Amount recovered from Joint Venture Companies                                                                | 1.00         | -      | -             | -      | -            | -                                | -             | -                                |

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

|                                                                                           | Gratuity     |             |               |             | Pension      |                                  |               |                                  |
|-------------------------------------------------------------------------------------------|--------------|-------------|---------------|-------------|--------------|----------------------------------|---------------|----------------------------------|
|                                                                                           | Current Year |             | Previous Year |             | Current Year |                                  | Previous Year |                                  |
|                                                                                           | Funded       | Others      | Funded        | Others      | Pension      | Post-Retirement Medical Benefits | Pension       | Post-Retirement Medical Benefits |
| Recognised in OCI for the Year                                                            | (24.43)      | (0.46)      | 25.91         | (0.68)      | 1.59         | (0.01)                           | 1.18          | 0.03                             |
| <b>(vi) Maturity Profile of Defined Benefit Obligation</b>                                |              |             |               |             |              |                                  |               |                                  |
| Within next 12 months (next annual reporting period)                                      | 140.67       | 3.03        | 81.80         | 1.68        | 4.82         | 0.06                             | 1.19          | 0.06                             |
| Between 1 and 5 years                                                                     | 354.13       | 6.88        | 207.65        | 6.03        | 16.97        | 0.24                             | 4.43          | 0.23                             |
| Between 5 and 10 years                                                                    | 449.68       | 6.96        | 266.71        | 6.46        | 13.39        | 0.23                             | 2.99          | 0.22                             |
| 10 years and above                                                                        | 1392.40      | 21.63       | 1009.34       | 19.20       | 25.92        | 0.61                             | 5.92          | 0.64                             |
| <b>(vii) Quantitative Sensitivity Analysis for significant assumption</b>                 |              |             |               |             |              |                                  |               |                                  |
| Increase/(Decrease) on present value of Defined Benefit Obligation at the end of the year |              |             |               |             |              |                                  |               |                                  |
| 100bps increase in Discount rate                                                          | (79.77)      | (2.15)      | (54.28)       | (1.90)      | (2.31)       | (0.04)                           | (0.95)        | (0.04)                           |
| 100bps decrease in Discount rate                                                          | 84.57        | 2.52        | 62.04         | 2.25        | 2.47         | 0.04                             | 1.05          | 0.04                             |
| 100bps increase in Salary Escalation rate                                                 | 83.88        | 2.45        | 60.64         | 2.20        | -            | -                                | -             | -                                |
| 100bps decrease in Salary Escalation rate                                                 | (80.19)      | (2.13)      | (54.05)       | (1.89)      | -            | -                                | -             | -                                |
| Increase in Life Expectancy by 1 year                                                     | -            | -           | -             | -           | 1.88         | -                                | 0.22          | -                                |
| Decrease in Life Expectancy by 1 year                                                     | -            | -           | -             | -           | (1.92)       | -                                | (0.23)        | -                                |
| <b>(viii) The major categories of the Plan Assets as a % of total plan</b>                |              |             |               |             |              |                                  |               |                                  |
| Government of India Securities                                                            | 9%           | N.A.        | 1%            | N.A.        | N.A.         | N.A.                             | N.A.          | N.A.                             |
| Corporate Bonds                                                                           | 2%           | N.A.        | 2%            | N.A.        | N.A.         | N.A.                             | N.A.          | N.A.                             |
| Insurer Managed Funds                                                                     | 89%          | N.A.        | 95%           | N.A.        | N.A.         | N.A.                             | N.A.          | N.A.                             |
| Others                                                                                    | 1%           | N.A.        | 2%            | N.A.        | N.A.         | N.A.                             | N.A.          | N.A.                             |
| <b>Total</b>                                                                              | <b>100%</b>  | <b>N.A.</b> | <b>100%</b>   | <b>N.A.</b> | <b>N.A.</b>  | <b>N.A.</b>                      | <b>N.A.</b>   | <b>N.A.</b>                      |

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(₹ in Crore)

|                                                                    | Gratuity                                  |                                                                                                          |                                           |                                                                                                          | Pension                                 |                                         |                                         |                                         |
|--------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
|                                                                    | Current Year                              |                                                                                                          | Previous Year                             |                                                                                                          | Current Year                            |                                         | Previous Year                           |                                         |
|                                                                    | Funded                                    | Others                                                                                                   | Funded                                    | Others                                                                                                   | Pension                                 | Post-Retirement Medical Benefits        | Pension                                 | Post-Retirement Medical Benefits        |
| <b>(ix) Principal Actuarial Assumptions</b>                        |                                           |                                                                                                          |                                           |                                                                                                          |                                         |                                         |                                         |                                         |
| Discount Rate                                                      | 6.8%-8.00%                                | 3.2%-10.5%                                                                                               | 7.12%-7.50%                               | 3.2%-11.50%                                                                                              | 7.80%-7.90%                             | 7.50%                                   | 7.12% to 7.50%                          | 7.50%                                   |
| Expected Return on Plan Assets                                     | 6.80%-8.00%                               | N.A.                                                                                                     | 7.12%-7.50%                               | N.A.                                                                                                     | N.A.                                    | N.A.                                    | N.A.                                    | N.A.                                    |
| Salary Escalation Rate                                             | 5.50%-10%                                 | 5%-10.00%                                                                                                | 8.00%                                     | 5%-10.00%                                                                                                | -                                       | -                                       | -                                       | -                                       |
| Mortality Tables                                                   |                                           | GA 1983 Mortality Table/UK Mortality Table AM92[UK] & Indian assured lives Mortality (2006-08) Ult Table |                                           | GA 1983 Mortality Table/UK Mortality Table AM92[UK] & Indian assured lives Mortality (2006-08) Ult Table |                                         |                                         |                                         |                                         |
|                                                                    | Indian Assured (2006-08) mortality tables |                                                                                                          | Indian Assured (2006-08) mortality tables |                                                                                                          | PA (90) annuity rates adjusted suitably | PA (90) annuity rates adjusted suitably | PA (90) annuity rates adjusted suitably | PA (90) annuity rates adjusted suitably |
| Retirement Age:                                                    |                                           |                                                                                                          |                                           |                                                                                                          |                                         |                                         |                                         |                                         |
| Management-                                                        | 60 Yrs.                                   |                                                                                                          | 60 Yrs.                                   |                                                                                                          |                                         |                                         |                                         |                                         |
| Non- Management-                                                   | 58 Yrs.                                   | 55-60 Yrs.                                                                                               | 58 Yrs.                                   | 55-60 Yrs.                                                                                               | -                                       | -                                       | -                                       | -                                       |
| <b>(x) Weighted Average Duration of Defined Benefit obligation</b> | 4 Yrs. to 17 Yrs.                         | 2-17 Yrs.                                                                                                | 7 to 10 Yrs.                              | 7.1-13.4 Yrs.                                                                                            | 4.99 Yrs. to 7.4 Yrs.                   | 6.8 Yrs.                                | 4.99 Yrs. to 7.4 Yrs.                   | 6.8 Yrs.                                |

**(xi) Amounts included in the Fair Value of the Plan Assets for:**

- The Company's own financial instrument: ₹ 282.04 Crore (Previous year ₹ Nil)
- Property occupied by or other assets used by the Company: ₹ Nil (Previous year ₹ Nil)

**(xii) Basis Used to determine Discount Rate:**

Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date, applicable to the period over which the obligation is to be settled.

**(xiii) Asset- Liability Matching Strategy:**

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre-fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position, as well as level of under funding of the plan.

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**(xiv) Salary Escalation Rate:**

The estimates of future salary increases are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

**(xv) Sensitivity Analysis:**

Sensitivity Analysis have been calculated to show the movement in defined benefit obligation in isolation, and assuming there are no other changes in the market condition at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

**(xvi)** The best estimate of the expected contribution for the next year amounts to ₹ 20 Crore (Previous Year ₹ 20.50 Crore).

**(xvii) Compensated Absences:**

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 47.50 Crore (Previous Year ₹ 32.36 Crore).

**(xviii) Other Long- term Employee Benefits:**

Amount recognised as expense for other long- term employee benefits is ₹ 0.87 Crore (Previous Year ₹ 0.77 Crore).

**(xix) The details of the Company's Defined Benefit Plans in respect of the Company-owned Provident Fund Trust**

Amount recognised as expense and included in the Note 3.7 as "Contribution- Company owned Provident Fund" is ₹ 50.05 Crore (Previous Year ₹ 22.17 Crore).

The actuary has provided for a valuation and based on the below provided assumption there is no interest shortfall as at 31st March, 2018 and 31st March, 2017.

|             |                                                                                                                          | (₹ in Crore)          |                       |
|-------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Particulars |                                                                                                                          | As at 31st March 2018 | As at 31st March 2017 |
| (a)         | Plan Assets at Fair Value                                                                                                | 1,969.66              | 940.22                |
| (b)         | Liability recognised in the Balance Sheet                                                                                | Nil                   | Nil                   |
| (c)         | Assumptions used in determining the present value obligation of interest rate guarantee under the Deterministic Approach |                       |                       |
|             | - Discount Rate for the term of the Obligations                                                                          | 7.80%-7.90%           | 7.12%-7.50%           |
|             | - Discount Rate for the remaining term of maturity of Investment Portfolio                                               | 7.61% - 8.63%         | 7.20%-8.72%           |
|             | - Average Historic Yield on Investment Portfolio                                                                         | 8.72% - 9.34%         | 8.96%                 |
|             | - Guaranteed Interest Rate                                                                                               | 8.55%                 | 8.65%                 |

**(xx) Defined Contribution Plans:**

|                                                                                                         |  | (₹ in Crore)          |                       |
|---------------------------------------------------------------------------------------------------------|--|-----------------------|-----------------------|
| Particulars                                                                                             |  | As at 31st March 2018 | As at 31st March 2017 |
| Amount recognised as an expense and included in Note 3.7 as "Contribution to Provident and Other Funds" |  | 150.20                | 105.17                |



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## 4.10 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (Ind AS 107)

### A. Classification of Financial Assets and Liabilities

| Particulars                                                                                      | (₹ in Crore)           |                   |                        |                  |
|--------------------------------------------------------------------------------------------------|------------------------|-------------------|------------------------|------------------|
|                                                                                                  | As at 31st March, 2018 |                   | As at 31st March, 2017 |                  |
|                                                                                                  | Carrying Value         | Fair Value        | Carrying Value         | Fair Value       |
| <b>Financial Assets at Amortised Cost</b>                                                        |                        |                   |                        |                  |
| Trade Receivables                                                                                | 5,213.14               | 5,213.14          | 3,009.56               | 3,009.56         |
| Loans (incl. loans related to NBFC/HFC business)                                                 | 51,055.12              | 51,055.12         | 380.33                 | 380.33           |
| Investments of Insurance Business                                                                | 6,192.12               | 5,732.98          | -                      | -                |
| Cash and Bank Balances                                                                           | 1,314.89               | 1,314.89          | 2,307.01               | 2,307.01         |
| Other Financial Assets                                                                           | 1,071.04               | 1,071.04          | 260.15                 | 260.15           |
| <b>Financial Assets at Fair Value through Other Comprehensive Income</b>                         |                        |                   |                        |                  |
| Investments of Insurance Business                                                                | 5,326.34               | 5,326.34          | -                      | -                |
| Other Investments (Current and Non-Current)                                                      | 4,565.84               | 4,565.84          | 2,904.96               | 2,904.96         |
| <b>Financial Assets at fair value through Profit and Loss</b>                                    |                        |                   |                        |                  |
| Investments of Insurance Business (incl. investments of Assets held to cover linked liabilities) | 26,131.55              | 26,131.55         | -                      | -                |
| Other Investments (Current and Non-Current)                                                      | 9,768.44               | 9,768.44          | 9,139.13               | 9,139.13         |
| <b>Hedging Instruments</b>                                                                       |                        |                   |                        |                  |
| Derivative Assets                                                                                | 121.52                 | 121.52            | 215.82                 | 215.82           |
| <b>Total</b>                                                                                     | <b>110,760.00</b>      | <b>110,300.86</b> | <b>18,216.96</b>       | <b>18,216.96</b> |
| <b>Financial Liabilities at Amortised Cost</b>                                                   |                        |                   |                        |                  |
| Non-Current Borrowings                                                                           | 46,549.86              | 46,619.64         | 8,055.18               | 7,741.87         |
| Current Borrowings                                                                               | 20,519.95              | 20,519.95         | 1,157.85               | 1,157.85         |
| Trade Payables                                                                                   | 5,262.41               | 5,262.41          | 3,056.89               | 3,056.89         |
| Other Financial Liabilities                                                                      | 3,457.72               | 3,457.72          | 1,356.99               | 1,356.99         |
| <b>Hedging Instruments</b>                                                                       |                        |                   |                        |                  |
| Derivative Liabilities                                                                           | 56.40                  | 56.40             | 42.30                  | 42.30            |
| <b>Total</b>                                                                                     | <b>75,846.34</b>       | <b>75,805.86</b>  | <b>13,669.21</b>       | <b>13,355.90</b> |

### B. Fair Value Measurements (Ind AS 113)

The fair values of the Financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares, which are traded in the stock exchanges is valued using the closing price at the reporting date.

Level 2: Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets

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and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models whereby the material assumptions are market observable. The majority of the Company's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3: Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. Valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

| Particulars                                                                                                    | Fair Values      |                  |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                | As at            | As at            |
|                                                                                                                | 31st March, 2018 | 31st March, 2017 |
| <b>Financial Assets at Amortised Cost</b>                                                                      |                  |                  |
| Investments of Insurance Business (Level 2)                                                                    | 5,732.98         | -                |
| <b>Financial Assets at Fair Value through Other Comprehensive Income</b>                                       |                  |                  |
| Investments of Insurance Business (Level 1)                                                                    | 80.86            | -                |
| Investments of Insurance Business (Level 2)                                                                    | 5,244.88         | -                |
| Investments of Insurance Business (Level 3)                                                                    | 0.60             | -                |
| Other Investments in Debentures or Bonds (Level 2)                                                             | 167.85           | 170.48           |
| Other Investments in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates)               |                  |                  |
| - Level 1                                                                                                      | 3,880.86         | 2,379.94         |
| - Level 3                                                                                                      | 517.61           | 354.54           |
| <b>Hedging Instruments</b>                                                                                     |                  |                  |
| Derivative Assets (Level 2)                                                                                    | 121.52           | 215.82           |
| <b>Financial Assets at Fair Value through Profit and Loss</b>                                                  |                  |                  |
| Investments of Insurance Business [including Investments of Assets held to cover linked liabilities] (Level 1) | 12,096.45        | -                |
| Investments of Insurance Business [including Investments of Assets held to cover linked liabilities] (Level 2) | 14,035.10        | -                |
| Other Investments in Mutual Funds, Bonds and Private Equity Investment Funds (Level 2)                         | 9,407.19         | 9,037.45         |
| Other Investment in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates) (Level 3)      | 8.29             | 1.21             |
| Other Investments in Preference Shares                                                                         |                  |                  |
| - Level 1                                                                                                      | 21.29            | -                |
| - Level 2                                                                                                      | 206.07           | -                |
| - Level 3                                                                                                      | 125.12           | 100.47           |
| <b>Total</b>                                                                                                   | <b>51,646.67</b> | <b>12,259.91</b> |

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| Particulars                                    | (₹ in Crore)              |                           |
|------------------------------------------------|---------------------------|---------------------------|
|                                                | Fair Values               |                           |
|                                                | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| <b>Financial Liabilities at Amortised Cost</b> |                           |                           |
| Non-Current Borrowings (Level 2)               | 1,077.37                  | -                         |
| Non-Current Borrowings (Level 3)               | 45,542.27                 | 7,741.87                  |
| <b>Hedging Instruments</b>                     |                           |                           |
| Derivative Liabilities (Level 2)               | 56.40                     | 42.30                     |
| <b>Total</b>                                   | <b>46,676.04</b>          | <b>7,784.17</b>           |

The Management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, commercial papers, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of loans, security deposits and investments in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counter party credit risk.

During the reporting period ending 31st March, 2018 and 31st March, 2017, there was no transfer between Level 1 and Level 2 fair value measurement.

## 4.10.1 Key Inputs for Level 1 and 2 Fair Valuation Technique:

1. Mutual Funds : Based on Net Asset Value of the Scheme (Level 2)
2. Debentures or Bonds: Based on market yield for instruments with similar risk/maturity, etc. (Level 2)
3. Listed Equity Investment (other than Subsidiaries, Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)
4. Derivative Liabilities (Level 2)
  - (i) the fair value of interest rate swaps is calculated as per the present value of the estimated future cash flows based on observable yield curves and an appropriate discount factor
  - (ii) the fair value of forward foreign exchange contracts is calculated as per the present value determined using forward exchange rates and interest rate curve of the respective currencies
  - (iii) the fair value of foreign currency swap is calculated as per the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor
  - (iv) the fair value of foreign currency option contracts is determined using the Black Scholes Valuation Model
  - (v) the fair value of commodity swaps is calculated as per the present value determined using the forward price and interest rate curve of the respective currency

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## 4.10.2 Description of Significant Unobservable Inputs used for Financial Instruments (Level 3)

The following table shows the valuation techniques and inputs used for financial instruments:

|                                                                                      |                                                                                         |
|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Investments in Preference Shares                                                     | Discounted cash flow method using risk adjusted discount rate                           |
| Equity Investments-Unquoted (other than Subsidiaries, Joint Ventures and Associates) | Discounted cash flow method using risk adjusted discount rate/net worth of Investee Co. |
| Private Equity Investment funds                                                      | Price to Book value method                                                              |
| Fixed Deposit with Corporates                                                        | Discounted cash flow method using risk adjusted discount rate                           |
| Long-Term Borrowings                                                                 | Discounted cash flow method using risk adjusted discount rate                           |
| Other Financial Instruments                                                          | Discounted cash flow method using risk adjusted discount rate                           |

### 4.10.2.1 Relationship of Unobservable Inputs to Level 3 Fair Values (Recurring)

**A. Equity Investments-Unquoted (Significant unobservable input being the Average cost of borrowings to arrive at discount rate):**

A 100 bps increase/decrease in the WACC or discount rate used while all other variables were held constant, the carrying value of the shares would decrease by ₹ 12.35 Crore or increase by ₹ 16.21 Crore (as at 31st March, 2017: decrease by ₹ 7.50 Crore or increase by ₹ 11.00 Crore).

**B. Preference Shares (Significant unobservable input being the Average cost of borrowings to arrive at discount rate):**

A 100 bps increase/decrease in the discount rate used while all the other variables were held constant, the carrying value of the shares would decrease by ₹ 6.06 Crore or increase by ₹ 6.44 Crore (as at 31st March, 2017: decrease by ₹ 6.36 Crore or increase by ₹ 6.56 Crore).

**C. Others**

| Particulars                     | Valuation Technique        | Significant Unobservable Inputs                   | Range          | Sensitivity of the input to the Fair Value |
|---------------------------------|----------------------------|---------------------------------------------------|----------------|--------------------------------------------|
| Unquoted Equity Shares          | Net worth as per Books     | Not Applicable                                    | Not Applicable | Not Applicable                             |
| Private Equity Investment funds | Price to Book value method | (Valuation at 10% discount compare to peer group) | 0.45-0.55      | ₹                                          |

₹ represents amount is less than ₹ 50,000

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## 4.10.3 The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

|                                                                           | (₹ in Crore)  |
|---------------------------------------------------------------------------|---------------|
| <b>Balances as at 1st April, 2016</b>                                     | <b>369.51</b> |
| Add: Investment in Equity shares measured at FVTPL                        | 0.16          |
| Add: Fair value Loss recognised in other misc. expenses in Profit or Loss | (1.73)        |
| Add: Fair value gain recognised in OCI                                    | 88.28         |
| <b>Balances as at 31st March, 2017</b>                                    | <b>456.22</b> |
| Add: Preference shares received on merger of ABNL                         | 20.55         |
| Add: Purchase of investment during the year                               | 0.02          |
| Add: Investment at fair value on loss of control in a subsidiary          | 7.11          |
| Add: Fair value gain recognised in other income in Profit or Loss         | 10.13         |
| Less: Sale of Investments                                                 | (0.20)        |
| Add: Fair value gain recognised in OCI                                    | 157.79        |
| <b>Balances as at 31st March, 2018</b>                                    | <b>651.62</b> |

## 4.11 Financial Risk Management Objectives (Ind AS 107)

### A Financial Risk Management and Its Policies for Insurance Business

#### Risk Management Framework

Insurance Business has an Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. Aligned with the business planning process, the ERM framework covers all business risks including strategic risk, operational risks, investment risks and insurance risks. The key business risks identified are approved by the Board's Risk Management Committee and monitored by the Risk Management team thereafter. Insurance Business also has in place an Operational Risk Management (ORM) framework that supports excellence in business processes, system and facilitates matured business decisions to move to a proactive risk assessment and is in the process of implementing the key operational risk components.

Insurance business recognises that information is a critical business asset, and that our ability to operate effectively and succeed in a competitive market depends on our ability to ensure that business information is protected adequately through appropriate controls and proactive measures. Accordingly, Insurance business has an information security framework that ensures all the information assets are safeguarded by establishing comprehensive management processes throughout the organisation.

Insurance Business Investments Function is governed by the Investment Committee and the Asset Liability Management Committee appointed by the Board of Directors. Investment Policy and Operating Guidelines laid down by the Board provide the framework for management and mitigation of the risks associated with investments. Asset Liability Policy and various Asset Liability Management(ALM) strategies are adopted to ensure adequate Asset Liability Management. These policies are reviewed at frequent intervals by the respective Board Committees and approved by the Board.

Insurance Business has a robust Business Continuity framework to ensure resumption of time sensitive activities within the defined timeframe at defined levels. Insurance Business is certified against ISO 22301 (Globally accepted standard on Business Continuity).



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Insurance Business through its risk management policies has set up systems to continuously monitor its experience with regard to other parameters that affect the value of benefits offered in the products. Such parameters include policy lapses, premium persistency, maintenance expenses and investment returns.

ERM encompasses the following areas:

Governed by risk policies and operating guidelines approved by the Board Committee/Sub Committee of the Board

1. Risk identification
2. Risk response and risk management strategy
3. Risk monitoring, communication and reporting

## a. Risk Policies

The following risk policies govern and implement effective risk management practices:

Product Design and Pricing Policy, Underwriting and Liability Management Policy, Re-insurance Ceded Policy, Capital Management Policy, Investment Policies, Dealing Room Policy, Broker Empanelment Policy, Valuation Policy, Information Security Policies, Internet and email Usage Policy, Logical Access Security Policy, External Access Security Policy, Physical Access Security Policy, Business Continuity Policy, Operational Risk Management Policy, Fraud Reporting and Investigating Policy, Asset Liability Management Policy, Outsourcing Policy and Anti Money Laundering Policy.

## b. Capital Management Objectives and Policies

Insurance Business has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- i) To maintain the required level of stability of the Company thereby providing a degree of security to policyholders
- ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- iv) To align the profile of assets and liabilities taking account of risks inherent in the business
- v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

Insurance Business have met all of these requirements throughout the financial year. In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The company's Capital Management Policy for its insurance and Non-Insurance Business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

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## c. Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Insurance Business is satisfactorily managing affairs for their benefits. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Company are subject to regulatory requirements within the jurisdictions in which it operates.

## Insurance and Financial Risk of Insurance Business

### a. Insurance Risk

The principal risk, the Group faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of re-insurance arrangements.

### Life insurance Contracts and Investment Contracts with and without Discretionary Participation Feature (DPF)

Ind AS 104 requires products offered by the Insurance Company to classify them in Insurance Contract and Investment Contract. Each contract needs to be classified in insurance contract and investment contract based on the risk they carry.

A contract would be an insurance contract and investment contracts with DPF if the benefit payable on death is higher by:

- at least 5% of the fund value at any time during the life on the contract for unit linked products, or
- at 5% of the premium at any time during the life of the contract for other than unit linked products

All other contracts are categorised as Investment contracts

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party. For contracts without DPF, the Group charges for death and disability risks on a quarterly basis. Under these contracts, the Group has the right to alter these charges to take account of death and disability experience, thereby mitigating the risks to the Group.

The main Risks that the Group is exposed to are as follows:

- i) Persistency Risk – Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
- ii) Mortality Risk – Risk of loss arising due to policyholder death experience being different than expected
- iii) Morbidity Risk – Risk of loss arising due to policyholder health experience being different than expected
- iv) Longevity Risk – Risk of loss arising due to the annuitant living longer than expected
- v) Investment return Risk – Risk of loss arising from actual returns being different than expected
- vi) Expense Risk – Risk of loss arising from expense experience being different than expected

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- vii) **Product and pricing Risk** – Risk of loss due to incorrect pricing or not adhering to the product regulations or higher payouts due to ambiguity in terms and conditions
- viii) **Re-insurance Risk** – The Group enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration Risk if all the Risk is insured to one reinsurer.
- ix) **Concentration Risk** – The Group faces concentration Risk by selling business to specific geography or by writing only single line business etc.

## Control Measures

The actuarial department has set up systems to continuously monitor the Group's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Many products offered by the Group also have an investment guarantee. The Group has set aside additional reserves to cover this risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. The Group has entered into a separate agreement with reinsurers to cover the catastrophic risks under individual and Group business.

A further element of managing risk is to limit the exposure to individual segments of the population. In essence, being over-represented in any population segment will increase the variance of the Group's experience, and so there are advantages to diversifying across all relevant population segments, at least until the data is available to confirm which segments can be expected to have relatively favorable experience. At the present stage in the Group's development, the focus is on building new distribution and so geographical diversification is actively taking place. In future, the actuarial team will need to be alert to assess potential risk aggregations.

The Group has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. The Group has a detailed claims processing manual in place. Complicated and large claims are referred to the Group's Claims Review Committee.

## Insurance Contracts Liabilities

## Change in liabilities

| Particulars                                                     | Current Year    |                  |                 |                  |
|-----------------------------------------------------------------|-----------------|------------------|-----------------|------------------|
|                                                                 | With DPF        | Linked Business  | Others          | Total            |
| <b>Gross Liability as at 1st July, 2017</b>                     | 1,038.82        | 20,235.29        | 3,948.04        | 25,222.15        |
| <b>Add/(Less)</b>                                               |                 |                  |                 |                  |
| Premium                                                         | 746.00          | 1,519.77         | 1,409.10        | 3,674.87         |
| Unwinding of the Discount/Interest Credited                     | 76.11           | 1,180.29         | 315.27          | 1,571.67         |
| Changes in valuation for expected future benefits               | -               | -                | -               | -                |
| Insurance Liabilities Released                                  | (143.07)        | (2,740.63)       | (748.92)        | (3,632.62)       |
| Undistributed Participating Policyholders Surplus (FFA)         | -               | -                | -               | -                |
| Others (Expense overrun, Contribution from S/H and Profit/Loss) | (129.66)        | (581.36)         | (395.32)        | (1,106.34)       |
| <b>Gross Liability at the end of the year</b>                   | <b>1,588.20</b> | <b>19,613.36</b> | <b>4,528.17</b> | <b>25,729.73</b> |
| Recoverable from Re-insurance                                   | (0.15)          | (32.28)          | (350.57)        | (383.00)         |
| <b>Net Liability</b>                                            | <b>1,588.35</b> | <b>19,645.64</b> | <b>4,878.74</b> | <b>26,112.73</b> |

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## Insurance contracts liabilities : Change in liabilities of Health Insurance Business

| Particulars                                      | (₹ in Crore)  |
|--------------------------------------------------|---------------|
| <b>Gross Liability as at 1st July, 2017</b>      | <b>81.23</b>  |
| <b>Add/(Less)</b>                                | <b>-</b>      |
| Incurred but not reported Provision              | 4.18          |
| Premium Deficiency Reserve                       | (4.14)        |
| Reserve for Unexpired Risk                       | 47.46         |
| Freelook Reserve                                 | 0.26          |
| <b>Gross Liability at as at 31st March, 2018</b> | <b>128.99</b> |
| Recoverable from Re-insurance                    | (3.61)        |
| <b>Net Liability</b>                             | <b>125.38</b> |

## Investment Contracts Liabilities

| Particulars                                  | Current Year    |                 |               |                 |
|----------------------------------------------|-----------------|-----------------|---------------|-----------------|
|                                              | With DPF        | Linked Business | Others        | Total           |
| <b>As at 1st July, 2017</b>                  | <b>3,346.47</b> | <b>5,049.87</b> | <b>218.97</b> | <b>8,615.31</b> |
| <b>Additions</b>                             |                 |                 |               |                 |
| Premium                                      | 607.90          | 578.39          | 19.09         | 1,205.38        |
| Interest and Bonus credited to policyholders | 94.37           | 240.36          | 81.51         | 416.24          |
| Others                                       | -               | -               | -             | -               |
| <b>Deductions</b>                            |                 |                 |               |                 |
| Withdrawals/Claims                           | 201.06          | 621.42          | (197.55)      | 624.93          |
| Fee Income and Other Expenses                | 7.47            | 12.97           | 3.38          | 23.82           |
| Others Profit and loss                       | -               | -               | -             | -               |
| Others (includes DAC, DOF and Profit/Loss)   | (28.79)         | (175.06)        | 220.20        | 16.35           |
| <b>At the end of the year</b>                | <b>3,869.00</b> | <b>5,409.29</b> | <b>293.54</b> | <b>9,571.83</b> |

## Re-insurance Assets

| Particulars                                      | Current Year  |
|--------------------------------------------------|---------------|
| <b>As on 1st July, 2017</b>                      | <b>940.89</b> |
| <b>Add/(Less)</b>                                |               |
| Premium                                          | 144.00        |
| Unwinding of the Discount /Interest Credited     | 18.17         |
| Change in Valuation for expected future benefits | -             |
| Insurance Liabilities Released                   | (116.95)      |
| Others (experience variations)                   | (428.23)      |
| <b>At the end of the year (March)</b>            | <b>557.88</b> |

## Deferred Acquisition Cost

| Particulars                 | Amount       |
|-----------------------------|--------------|
| <b>As at 1st July, 2017</b> | <b>12.52</b> |
| Expenses Deferred           | -            |
| Amortisation                | (1.59)       |
| <b>As at 31 March 2018</b>  | <b>10.93</b> |

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## Key assumptions

The assumptions play vital role in calculating Insurance liabilities for the Group. Material judgement is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical and current experience, internal data, some judgement and as per guidance notes/actuarial practice standards. However, for the purpose of valuation an additional level of prudence has been kept on all the best estimate assumptions known as MFAD (Margin for Adverse Deviation). The Company keeps adequate MFAD, as prescribed in APS 7 issued by the Institute of Actuaries of India (IAI), in all assumptions over the best estimate value.

Best Estimate Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Assumptions can vary by type of product, duration, gender, etc. if the experience of any category is significantly different and data is credible for the respective category.

The key assumptions to which the estimation of liabilities is particularly sensitive, are as follows:

### i) Mortality and Morbidity Rates

Assumptions are based on historical experience and for new products based on industry/re-insurers data. An appropriate, but not excessive, allowance may be made for expected future improvements. Assumptions may vary by type of product, distribution channel, gender, etc.

An increase in mortality/morbidity rates will usually lead to a larger number/amount of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profits for the shareholders.

### ii) Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are normally differentiated by gender, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for the shareholders.

### iii) Investment return and Discount Rate

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on investment strategy of the Group, current industry risk rates, adjusted for the Group's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and, therefore, reduce profits for the shareholders.



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## iv) Expenses and inflation

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation, if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

## v) Lapse, Surrender and Partial withdrawal Rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience, and usually vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

The best estimate assumptions that have the greatest effect on the statement of financial position and statement of profit or loss of the Company are listed below.

| Portfolio assumptions by type of business impacting net liabilities | Mortality Rates         | Investment Return                                                                                         | Lapse and Surrender Rates                                                           |
|---------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                                                                     | 31-Mar-18               | 31-Mar-18                                                                                                 | 31-Mar-18                                                                           |
| <b>Insurance</b>                                                    |                         |                                                                                                           |                                                                                     |
| With DPF                                                            | 100% of IALM2006-08     | 7.15% p.a.                                                                                                | PY1 : 40%<br>PY2 : 15%<br>PY3 + : 2% - 5% (varying by product) "                    |
| Linked Business                                                     | 55% of IALM2006-08      | a) 9.5% p.a. for assets backing linked liabilities<br>b) 6.7% p.a. for asset backing non-unit liabilities | PY1 : 10% - 23%<br>PY2 : 5% - 8%<br>PY3+: 3% -15% (varying by product and duration) |
| Others                                                              | 30%-385% of IALM2006-08 | 6.6%-8.3% p.a.                                                                                            | PY1 : 1% -5%<br>PY2 : 3% - 15%<br>PY3+: 5% - 15% (varying by product and duration)  |

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| Portfolio assumptions by type of business impacting net liabilities | Partial Withdrawal | Renewal Per Policy Expense Assumptions | Inflation |
|---------------------------------------------------------------------|--------------------|----------------------------------------|-----------|
|                                                                     | 31-Mar-18          | 31-Mar-18                              | 31-Mar-18 |
| <b>Insurance</b>                                                    |                    |                                        |           |
| With DPF                                                            | N/A                | 364-557 Per Policy                     | 0.05      |
| Linked Business                                                     | 0%- 3% p.a.        | 557 Per Policy                         | 0.05      |
| Others                                                              | N/A                | Max 557 Per Policy (varies by product) | 0.05      |

\*Commission scales have been allowed in accordance with the product filing with IRDA.

## Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

| Sensitivity Parameters              | Current Year       |                       |                     |                        |
|-------------------------------------|--------------------|-----------------------|---------------------|------------------------|
|                                     | Insurance with DPF | Insurance without DPF | Investment with DPF | Investment without DPF |
| Lapses Increased by 10%             | 1,535.25           | 24,840.57             | 3,869.00            | 5,715.84               |
| Lapses Decreased by 10%             | 1,691.92           | 25,053.42             | 3,869.00            | 5,716.41               |
| Mortality Increased by 10%          | 1,640.46           | 25,105.26             | 3,869.00            | 5,716.15               |
| Mortality Decreased by 10%          | 1,574.70           | 24,778.90             | 3,869.00            | 5,716.08               |
| Expenses Increased by 10%           | 1,658.18           | 25,012.66             | 3,869.00            | 5,716.41               |
| Expenses Decreased by 10%           | 1,558.09           | 24,873.11             | 3,869.00            | 5,715.84               |
| Interest Rate Increased by 100 bps  | 1,237.83           | 24,143.00             | 3,869.00            | 5,707.39               |
| Interest Rate Decreased by 100 bps  | 1,811.17           | 26,146.04             | 3,869.00            | 5,726.17               |
| Inflation Rate Increased by 100 bps | 1,686.62           | 25,046.25             | 3,869.00            | 5,716.50               |
| Inflation Rate Decreased by 100 bps | 1,547.75           | 24,859.35             | 3,869.00            | 5,715.81               |

## b. Financial Risks of Insurance Business

### 1. Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. We are subject to credit risk in connection with issuers of securities held in our investment portfolio, reinsurers and debtors. Losses may occur when a counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Company to record realized or unrealized losses and increase our provisions for asset default, adversely impacting earnings.

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Governance structure, inform of the Investment Committee, and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis. The Company uses systems like MSCI Barra One to evaluate and monitor risks.

The policyholders' funds are invested in accordance with regulatory norms, Investment policy, fund objective of unit linked funds and risk profile of the respective fund in fixed income segment, majority of the investment is made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

## Industry Analysis

As on March 31, 2018

(₹ in Crore)

| Particulars                               | Electricity, Gas, Steam And Air Conditioning Supply | Financial And Insurance Activities | Government       | Information And Communication | Manufacturing   | Others        | Total            |
|-------------------------------------------|-----------------------------------------------------|------------------------------------|------------------|-------------------------------|-----------------|---------------|------------------|
| <b>1. FVTOCI financial assets</b>         |                                                     |                                    |                  |                               |                 |               |                  |
| Debt                                      | 331.00                                              | 1,739.57                           | -                | 50.20                         | 201.94          | 210.41        | 2,533.12         |
| Equity                                    | -                                                   | 0.60                               | -                | -                             | -               | 85.81         | 86.41            |
| Government Securities                     | -                                                   | -                                  | 2,453.28         | -                             | -               | -             | 2,453.28         |
| Others                                    | -                                                   | 148.27                             | 105.26           | -                             | -               | -             | 253.53           |
| <b>2. Financial Assets At FVTPL</b>       |                                                     |                                    |                  |                               |                 |               |                  |
| Debt                                      | 1,692.89                                            | 5,141.70                           | -                | 193.02                        | 895.46          | 25.10         | 7,948.17         |
| Equity                                    | 1,687.23                                            | 3,172.80                           | -                | 1,447.31                      | 3,994.49        | 215.28        | 10,517.11        |
| Government Securities                     | -                                                   | -                                  | 5,343.91         | -                             | -               | -             | 5,343.91         |
| Mutual Fund Units                         | -                                                   | 1,552.78                           | -                | -                             | -               | 1.75          | 1,554.53         |
| Others                                    | -                                                   | 478.14                             | 241.59           | -                             | 48.06           | -             | 767.79           |
| <b>3. Amortised Cost Financial Assets</b> |                                                     |                                    |                  |                               |                 |               |                  |
| Debt                                      | 426.34                                              | 1,411.10                           | -                | 42.57                         | 127.09          | 1.90          | 2,009.00         |
| Government Securities                     | -                                                   | -                                  | 3,995.16         | -                             | -               | -             | 3,995.16         |
| Others                                    | -                                                   | 65.23                              | 116.63           | -                             | -               | 6.10          | 187.96           |
| <b>Total Credit Risk Exposure</b>         | <b>4,137.46</b>                                     | <b>13,710.19</b>                   | <b>12,255.83</b> | <b>1,733.10</b>               | <b>5,267.04</b> | <b>546.35</b> | <b>37,649.97</b> |

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## Credit exposure by Credit Rating

As on March 31, 2018

(₹ in Crore)

| Particulars                               | UNR              | SOVEREIGN        | AAA              | AA+           | AA-             | AA            | Others        | Total            |
|-------------------------------------------|------------------|------------------|------------------|---------------|-----------------|---------------|---------------|------------------|
| <b>1. FVTOCI financial assets</b>         |                  |                  |                  |               |                 |               |               |                  |
| Debt                                      | -                | -                | 2,102.94         | 59.32         | 289.69          | 36.09         | 45.08         | 2,533.12         |
| Equity                                    | 86.41            | -                | -                | -             | -               | -             | -             | 86.41            |
| Government Securities                     | -                | 2,453.28         | -                | -             | -               | -             | -             | 2,453.28         |
| Others                                    | 114.48           | 105.26           | -                | -             | -               | -             | 33.79         | 253.53           |
| <b>2. Financial Assets At FVTPL</b>       |                  |                  |                  |               |                 |               |               |                  |
| Debt                                      | -                | -                | 6,557.59         | 265.08        | 949.81          | 145.53        | 30.16         | 7,948.17         |
| Equity                                    | 10,517.09        | -                | 0.02             | -             | -               | -             | -             | 10,517.11        |
| Government Securities                     | -                | 5,343.91         | -                | -             | -               | -             | -             | 5,343.91         |
| Mutual Fund Units                         | 1,552.69         | -                | -                | -             | -               | -             | 1.84          | 1,554.53         |
| Others                                    | 326.50           | 241.59           | -                | -             | -               | -             | 199.70        | 767.79           |
| <b>3. Amortised Cost Financial Assets</b> |                  |                  |                  |               |                 |               |               |                  |
| Debt                                      | -                | -                | 1,767.17         | 36.67         | 133.89          | 45.94         | 25.33         | 2,009.00         |
| Government Securities                     | -                | 3,995.16         | -                | -             | -               | -             | -             | 3,995.16         |
| Others                                    | 65.23            | 116.63           | -                | -             | -               | -             | 6.10          | 187.96           |
| <b>Total Credit Risk Exposure</b>         | <b>12,662.40</b> | <b>12,255.83</b> | <b>10,427.72</b> | <b>361.07</b> | <b>1,373.39</b> | <b>227.56</b> | <b>342.00</b> | <b>37,649.97</b> |

It is the subsidiary's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables the Management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to various categories and are derived in accordance with the company's rating policy. The attributable risk ratings are assessed and updated regularly.

The Company actively manages its product mix to ensure that there is no significant concentration of credit risk.

## 2. Liquidity Risk

Liquidity risk is the possibility that the Company will not be able to fund all cash outflow commitments as they fall due. The Company's primary funding obligations arise in connection with the payment of policyholder benefits. Sources of available cash flow include general fund premiums and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

An asset-liability mismatch occurs when the financial terms of a Company's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc. Through effective cash management and capital planning, the Company ensures that, it is properly funded and maintain adequate liquidity to meet obligations. Based on the Company's historical cash flows and liquidity management processes, we believe that the cash flows from our operating activities will continue to provide sufficient liquidity for us to satisfy debt service obligations and to pay other expenses as they fall due. A governance structure, in form of the ALM Committee, and well defined Asset Liability Management framework require periodic monitoring of the Asset-Liability position of the Company. Insurance business's Asset Liability Management Techniques aims to manage the volume, mix, maturity, rate sensitivity, quality and liquidity

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of assets and liabilities as a whole so as to attain a predetermined acceptable risk/reward ratio. Further the NAV guarantee products use proprietary monitoring mechanisms to ensure adequate ALM.

## Maturity profiles

The following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities of the company based on remaining undiscounted contractual obligations, including interest payables and receivables.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. Unit-linked liabilities are repayable or transferable on demand and are included in the up-to-a-year column. Repayments which are subject to notice are treated as if notice were to be given immediately.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The company also has committed lines of credit that it can access to meet liquidity needs.

The Company manages its product mix to ensure that there is no significant concentration of credit risk.

The table below summarises the expected utilisation or settlement of assets and liabilities.

As at 31st March, 2018

(₹ in Crore)

| Particulars                  | Less Than<br>3 Months | 3 to 12<br>Months | 1 to 2<br>Years | 2 to 3<br>Years | 3 to 5<br>Years | > 5 Years | Total     |
|------------------------------|-----------------------|-------------------|-----------------|-----------------|-----------------|-----------|-----------|
| <b>Financial assets</b>      |                       |                   |                 |                 |                 |           |           |
| Investments                  |                       |                   |                 |                 |                 |           |           |
| Amortised Cost               | 122.73                | 56.90             | 143.24          | 126.75          | 590.75          | 5,151.75  | 6,192.12  |
| FVTOCI                       | 130.02                | 333.73            | 260.35          | 254.22          | 923.01          | 3,425.01  | 5,326.34  |
| FVTPL                        | 1,841.00              | 1,630.45          | 1,767.92        | 1,796.36        | 2,875.92        | 16,219.90 | 26,131.55 |
| Trade and Other Receivables  | 166.91                | -                 | -               | -               | -               | -         | 166.91    |
| Cash and Cash Equivalents    | 638.60                | -                 | -               | -               | -               | -         | 638.60    |
| Other Financial Assets       | 74.15                 | 0.05              | 0.13            | -               | -               | -         | 74.33     |
|                              | -                     | -                 | -               | -               | -               | -         | -         |
| <b>Financial Liabilities</b> |                       |                   |                 |                 |                 |           |           |
| Other Financial Liabilities  | 483.20                | 18.74             | 0.75            | -               | -               | -         | 502.69    |
| Trade and Other Payables     | 306.96                | -                 | -               | -               | -               | -         | 306.96    |

\* Investments under Amortised Cost represents only FDs

## 3. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. the Company is exposed to financial and capital market risks – the risk that the fair value or future cash flows of an insurance contract or financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.



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Market risk governance practices are in place, including independent monitoring and reviewing and reporting to the Senior Management and the Risk Management Committee. The Company has investment policy in place which deals with guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities.

The Company issues unit-linked investment policies in a number of its operations. In the unit-linked business, the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. The Company's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

| Market Indices | Change in Interest Rate | 31-Mar-18                   |                  |
|----------------|-------------------------|-----------------------------|------------------|
|                |                         | Impact on Profit before tax | Impact on Equity |
| Interest rate  | 25 basis point down     | 95.43                       | 91.54            |
|                | 50 basis point down     | 190.86                      | 183.08           |
|                | 25 Basis Point Up       | (95.43)                     | (91.54)          |
|                | 50 Basis Point Up       | (190.86)                    | (183.08)         |

## Equity Price Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. We are exposed to equity risk from a number of sources. A portion of our exposure to equity market risk arises in connection with benefit guarantees on contracts. The cost of providing for these guarantees is uncertain, and will depend upon a number of factors including general capital market conditions, underlying fund performance, policyholder behavior, and mortality experience, which may result in negative impacts on our net income and capital.

The Company's equity price risk exposure relates to financial assets and financial liabilities, whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business.

The Company has no significant concentration of equity price risk.

The analysis below is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the Statement of Profit or Loss) and equity (that reflects changes in fair value of FVTPL financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

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| Market indices | Change in Variables | 31-Mar-18                   |                  |
|----------------|---------------------|-----------------------------|------------------|
|                |                     | Impact on Profit before tax | Impact on Equity |
| BSE 100        | 10% rise            | 25.95                       | 32.45            |
|                | 10% fall            | (25.95)                     | (32.45)          |

## Operational Risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

Operational risks are governed through Operational Risk Management Policy. The Company maintains an operational loss database to track and mitigate risks resulting in financial losses. The Company has also initiated a Risk Control Self Assessment process to embed the control testing as a part of day to day operations. To control operational risk, operating and reporting processes are reviewed and updated regularly. Ongoing training through internal and external programs is designed to equip staff at all levels to meet the demands of their respective positions. The Company has a Business Continuity Plan in place to manage any business interruption risk. The Company is one of the few Indian Insurance companies to be ISO 22301 (Globally accepted standard on Business Continuity) certified. Fraud management is handled through an internal committee and is governed by the Fraud Reporting and Investigation Policy.

Information Security risks are governed through Information Security Management system aligned and certified against ISO 27001: 2013 which is a global benchmark. Insurance Business has comprehensive information security policy designed to comply ISO 27001:2013, privacy and/ or data protection legislations as specified in Information Technology Act, 2008 and notification dated 11th April, 2011, on protection of sensitive personal information and it provides directions to Information Security staff, management and employees regarding their roles and responsibilities towards Information Security.

Insurance business also has Business Continuity Policy to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimising the potential business impact to Insurance Business. Additionally to create a system that fosters continuous improvement of business continuity management.

# Notes

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## Statement of Derivatives of Insurance Business

### (a) Forward rate Agreement

|         |                                                                                                                         | (₹ in Crore)           |
|---------|-------------------------------------------------------------------------------------------------------------------------|------------------------|
| Sr. No. | Particulars                                                                                                             | As at 31st March, 2018 |
| i)      | Total notional principal amount of forward rate agreement undertaken during the year (instrument-wise)                  |                        |
|         | 7.73% Gsec 19-12-2034                                                                                                   | 200.00                 |
|         | 8.30% Gsec 31-12-2042                                                                                                   | 86.98                  |
|         | 8.32% Gsec 02-08-2032                                                                                                   | 152.37                 |
| ii)     | Total notional principal amount of forward rate agreement outstanding as on end of the year (instrument-wise)           |                        |
|         | 7.73% Gsec 19-12-2034                                                                                                   | 200.00                 |
|         | 8.30% Gsec 31-12-2042                                                                                                   | 86.98                  |
|         | 8.32% Gsec 02-08-2032                                                                                                   | 152.37                 |
| iii)    | Notional principal amount of forward rate agreement outstanding and not 'highly effective' as at the Balance Sheet date | -                      |
| iv)     | Mark-to-market value of forward rate agreement outstanding and not 'highly effective' as at the Balance Sheet date      | -                      |
| v)      | Loss which would be incurred if counterparty failed to fulfil their obligation under agreements                         | -                      |

### (b) The fair value mark to market (MTM) gains or (losses) in respect of Forward Rate Agreement outstanding as at the Balance Sheet date is stated below:

|         |                       | (₹ in Crore)           |
|---------|-----------------------|------------------------|
| Sr. No. | Hedging Instruments   | As at 31st March, 2018 |
| i)      | 7.73% Gsec 19-12-2034 | 0.73                   |
| ii)     | 8.30% Gsec 31-12-2042 | (2.38)                 |
| iii)    | 8.32% Gsec 02-08-2032 | (1.51)                 |

### (c) Movement in Hedge Reserve

|         |                                                               |                           |            | (₹ in Crore) |
|---------|---------------------------------------------------------------|---------------------------|------------|--------------|
| Sr. No. | Hedge Reserve Account                                         | 31st March, 2018 Realised | Unrealised | Total        |
| i)      | Balance at the beginning of the Period                        | -                         | -          | -            |
| ii)     | Add: Changes in the Fair Value during the Year                | -                         | (5.28)     | (5.28)       |
| iii)    | Less: Amounts reclassified to Revenue / Profit & Loss Account | -                         | -          | -            |

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## (d) Counterparty wise Details

| Sr. No. | Particulars                                                        | 31st March, 2018       |
|---------|--------------------------------------------------------------------|------------------------|
| i)      | Name of the Counterparty                                           | J.P. Morgan            |
| ii)     | Hedge Designation                                                  | Cash Flow Hedge        |
| iii)    | Likely impact of one percentage change in interest rate (100*PV01) |                        |
|         | a) Underlying being hedged                                         | Sovereign Bonds        |
|         | b) Derivative                                                      | Forward Rate Agreement |
| iv)     | Credit Exposure                                                    |                        |

## B Financial Risk management and Its Policies for NBFC and HFC Businesses

### Financial risk management objectives and Policies

The NBFC and HFC Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include loans, cash and cash equivalents, and other receivables that derive directly from its operations.

The Company is exposed to market risk, credit risk, liquidity risk, and operational and business risk. The Company's Senior Management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Committee provides assurance to the Company's Senior Management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. In the case of the Company, the market risk primarily comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2018.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

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| Market Indices | Change in Interest Rate | 31st March, 2018            |                  |
|----------------|-------------------------|-----------------------------|------------------|
|                |                         | Impact on Profit before tax | Impact on Equity |
| Interest rate  | 25 Basis Point down     | 26.24                       | 17.33            |
|                | 50 Basis Point down     | 52.49                       | 34.65            |
|                | 25 Basis Point Up       | (26.24)                     | (17.33)          |
|                | 50 Basis Point Up       | (52.49)                     | (34.65)          |

## Credit Risk

Credit risk is the risk that the NBFC & HFC will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The NBFC & HFC manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The NBFC & HFC has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the NBFC & HFC to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

## Liquidity Risk

Liquidity risk is defined as the risk that the NBFC & HFC will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the NBFC & HFC might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

NBFC & HFC manages its liquidity requirement by analysing the maturity pattern of NBFC & HFC's cash flows of financial assets and financial liabilities. The Asset- Liability Management of the NBFC & HFC is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the NBFC & HFC's financial assets and liabilities as at 31st March, 2018

## Financial Assets

(₹ in Crore)

| As at 31st March, 2018 | Less than 3 Months | 3 Months to 12 Months | 12 Months to 36 Months | 36 Months to 60 Months | More than 60 Months | Total |
|------------------------|--------------------|-----------------------|------------------------|------------------------|---------------------|-------|
| Trade Receivables      | 27.97              | 0.07                  | -                      | -                      | -                   | 28.04 |
| Other Financial Assets | 0.96               | -                     | -                      | -                      | -                   | 0.96  |

## Financial Liabilities

(₹ in Crore)

| As at 31st March, 2018      | Less than 3 Months | 3 Months to 12 Months | 12 Months to 36 Months | 36 Months to 60 Months | More than 60 Months | Total            |
|-----------------------------|--------------------|-----------------------|------------------------|------------------------|---------------------|------------------|
| Trade & Other Payables      | 164.17             | -                     | -                      | -                      | -                   | 164.17           |
| Other Financial Liabilities | 712.19             | 270.06                | 157.35                 | -                      | -                   | 1,139.60         |
| Borrowing                   | 11,625.63          | 8,162.30              | 12,637.97              | 7,700.87               | 3,472.63            | 43,599.40        |
| <b>Total</b>                | <b>12,501.99</b>   | <b>8,432.36</b>       | <b>12,795.32</b>       | <b>7,700.87</b>        | <b>3,472.63</b>     | <b>44,903.17</b> |



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## Operational and Business Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework, and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

## C Financial Risk Management Objectives for Other Businesses:

The Group's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives, include trade and other receivables, investments, and cash and cash equivalents that arises directly from its operations.

The Group's activities expose it to market risk, liquidity risk and credit risk.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts, principal only swaps that are entered to hedge foreign currency risk exposure, interest rate swaps to hedge variable interest rate exposure and commodity fixed price swaps to hedge commodity price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Group is exposed to and their management is given below:

| Risks                          | Exposure Arising From                                                                                         | Measurement                                     | Management                                                                                                                             |
|--------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| • <b>Market Risk:</b>          |                                                                                                               |                                                 |                                                                                                                                        |
| - <b>Foreign Exchange Risk</b> | Committed Commercial transactions, Financial Assets and Liabilities not denominated in INR                    | Cash Flow Forecasting, Sensitivity Analysis     | Forward Foreign Exchange contracts<br>Foreign Currency Options<br>Principal only/Currency Swaps                                        |
| - <b>Interest Rate Risk</b>    | Long-term Borrowings at variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities | Sensitivity Analysis, Interest rate Movements   | Interest Rate Swaps<br>Portfolio Diversification                                                                                       |
| - <b>Equity Price Risk</b>     | Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost)               | Financial Performance of the Investee Companies | Investments are long - term in nature and in companies with sound management with leadership positions in their respective businesses. |

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| Risks                          | Exposure Arising From                                                                     | Measurement                                    | Management                                                                                                                                                 |
|--------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| • <b>Credit Risk</b>           | Trade Receivables, Investments, Derivative Financial Instruments, Loans and Bank Balances | Ageing Analysis, Credit Rating                 | Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria-based approval process |
| • <b>Liquidity Risk</b>        | Borrowings and Other Liabilities and Liquid Investments                                   | Rolling Cash Flow forecasts, Broker Quotes     | Adequate unused credit lines and borrowing facilities<br>Portfolio Diversification                                                                         |
| • <b>Commodity Price Risks</b> | Movement in prices of commodities mainly Imported Thermal Coal and Pet Coke               | Sensitivity Analysis, Commodity Price Tracking | Commodity Fixed Prices Swaps/Options                                                                                                                       |

The Management updates the Audit Committee on a quarterly basis about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Group on periodical basis about various risks to the business and the status of various activities planned to mitigate such risks.

Details relating to the risks are provided here below:

## 1. Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates to import of fuels, raw materials and spare parts, plant and equipments, exports of VSF, Chemicals, Cements and foreign currency borrowings and the Group's net investments in foreign subsidiaries.

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

### (i) Foreign Currency Sensitivity:

The sensitivities are based on financial assets and liabilities held at 31st March 2018 are not denominated in Indian Rupees. The sensitivities do not take into account the Company's sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

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(₹ in Crore)

| Currency                                       | 31st March 2018                             |                                             |                                           |                                           |
|------------------------------------------------|---------------------------------------------|---------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                | Effect of 5% strengthening of INR on Profit | Effect of 5% strengthening of INR on Equity | Effect of 5% Diminishing of INR on Profit | Effect of 5% Diminishing of INR on Equity |
| USD                                            | 21.41                                       | (25.46)                                     | (21.41)                                   | 25.46                                     |
| EUR                                            | (2.99)                                      | -                                           | 2.99                                      | -                                         |
| GBP                                            | 0.30                                        | 0.00                                        | (0.30)                                    | 0.00                                      |
| JPY                                            | 0.01                                        | 0.00                                        | (0.01)                                    | 0.00                                      |
| CAD                                            | 0.00                                        | 0.00                                        | 0.00                                      | 0.00                                      |
| AUD                                            | 0.00                                        | (0.14)                                      | 0.00                                      | 0.14                                      |
| CNY                                            | (1.19)                                      | 0.00                                        | 1.19                                      | 0.00                                      |
| THB                                            | 0.00                                        | (7.73)                                      | 0.00                                      | 7.73                                      |
| Others*                                        | 0.01                                        | -                                           | (0.01)                                    | -                                         |
| <b>Increase / (Decrease) in Profit/ Equity</b> | <b>17.55</b>                                | <b>(33.33)</b>                              | <b>(17.55)</b>                            | <b>33.33</b>                              |

\*Others represents currency in Bangladeshi Taka, British Pound, Kuwaiti Dinar, Mozambique New Metical, Omani Rial, Philippines Peso, Tanzanian Shilingi, etc.

(₹ in Crore)

| Currency                                       | 31st March 2017                             |                                             |                                           |                                           |
|------------------------------------------------|---------------------------------------------|---------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                | Effect of 5% strengthening of INR on Profit | Effect of 5% strengthening of INR on Equity | Effect of 5% Diminishing of INR on Profit | Effect of 5% Diminishing of INR on Equity |
| USD                                            | (72.76)                                     | 17.54                                       | 72.76                                     | (17.54)                                   |
| EUR                                            | 1.82                                        | -                                           | (1.82)                                    | -                                         |
| CAD                                            | (1.73)                                      | 0.00                                        | 1.73                                      | 0.00                                      |
| CNY                                            | 2.92                                        | 0.00                                        | (2.92)                                    | 0.00                                      |
| THB                                            | 0.00                                        | 6.19                                        | 0.00                                      | (6.19)                                    |
| Peso                                           | 0.00                                        | 0.15                                        | 0.00                                      | (0.15)                                    |
| JPY                                            | (0.01)                                      | -                                           | 0.01                                      | -                                         |
| <b>Increase / (Decrease) in Profit/ Equity</b> | <b>(69.76)</b>                              | <b>23.88</b>                                | <b>69.76</b>                              | <b>(23.88)</b>                            |

## (ii) Hedging Activities and Derivatives:

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company uses various derivative financial instruments, such as foreign exchange forward contracts, option contracts, future contracts and currency swaps to manage and mitigate its exposure to foreign exchange risk. The Company reports periodically to its Risk Management Committee, the foreign exchange risks and compliance of the policies to manage its foreign exchange risk.

The Company has taken foreign currency floating rate borrowings, which are linked to LIBOR. For managing the foreign currency risk and interest rate risk, arising from changes in LIBOR on such borrowings, the Company has entered into Cross Currency Interest Rate Swap (CCIRS) for the entire loan liability. Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency.

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The Company assesses hedge effectiveness based on the following criteria:

- (i) an economic relationship between the hedged item and the hedging instrument;
- (ii) the effect of credit risk; and
- (iii) assessment of the hedge ratio

The Company designates the forward exchange contracts to hedge its currency risk, and generally applies a hedge ratio of 1:1. The Company's policy is to match the tenor of the forward exchange contracts with the hedged item.

## a) Cash Flow Hedge

**Details of Foreign Exchange Forward Contracts and Interest rate and Cross currency Swap Outstanding as on 31st March, 2018**

| Sr. No.   | Type of Hedge and Risk                    | Foreign currency Amount (₹ in Crore) |             | Weighted average Foreign Exchange Rate |             | Nominal Value (₹ in Crore) |             | Carrying amount of Hedging Instrument (₹ in Crore) |             |
|-----------|-------------------------------------------|--------------------------------------|-------------|----------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|
|           |                                           | Assets                               | Liabilities | Assets                                 | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |
| <b>A</b>  | <b>CASH FLOW HEDGE</b>                    |                                      |             |                                        |             |                            |             |                                                    |             |
|           | <b>Foreign Exchange Risk</b>              |                                      |             |                                        |             |                            |             |                                                    |             |
| <b>1)</b> | <b>Foreign Exchange Forward Contracts</b> |                                      |             |                                        |             |                            |             |                                                    |             |
| a         | USD                                       | 0.03                                 | 8.19        | 66.44                                  | 65.26       | 1.99                       | 534.46      | 0.00                                               | (10.98)     |
| b         | EUR                                       | 0.02                                 | 2.30        | 79.21                                  | 72.04       | 1.41                       | 165.42      | 0.05                                               | 22.79       |
| c         | GBP                                       | 0.00                                 | 0.22        | 0.00                                   | 91.46       | 0.00                       | 20.14       | 0.00                                               | 0.58        |
| <b>2)</b> | <b>Cross Currency Interest Rate Swaps</b> |                                      |             |                                        |             |                            |             |                                                    |             |
| a         | USD                                       | 0.00                                 | 3.00        | 0.00                                   | 65.25       | 0.00                       | 195.75      | 0.00                                               | 1.81        |

**Details of Foreign Exchange Forward Contracts Outstanding as on 31st March, 2017**

| Sr. No.   | Type of Hedge and Risk                    | Foreign currency Amount (₹ in Crore) |             | Weighted average Foreign Exchange Rate |             | Nominal Value (₹ in Crore) |             | Carrying amount of Hedging Instrument (₹ in Crore) |             |
|-----------|-------------------------------------------|--------------------------------------|-------------|----------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|
|           |                                           | Assets                               | Liabilities | Assets                                 | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |
| <b>A</b>  | <b>CASH FLOW HEDGE</b>                    |                                      |             |                                        |             |                            |             |                                                    |             |
|           | <b>Foreign Exchange Risk</b>              |                                      |             |                                        |             |                            |             |                                                    |             |
| <b>1)</b> | <b>Foreign Exchange Forward Contracts</b> |                                      |             |                                        |             |                            |             |                                                    |             |
| a         | USD                                       | -                                    | 2.32        | -                                      | 67.05       | -                          | 155.56      | -                                                  | (9.02)      |

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## Interest Rates outstanding on Receive Floating and Pay Fix Contracts:

| Particulars  | As at            | Average Contracted Fixed Interest Rates* | Average Exchange Rate (USD/ INR) | Nominal Amount USD Crore | Fair Value Assets (Liabilities) (₹ in Crore) |
|--------------|------------------|------------------------------------------|----------------------------------|--------------------------|----------------------------------------------|
| 2 to 5 years | 31st March, 2018 | 7.79%                                    | 67.49                            | 7.32                     | (23.57)                                      |
| 2 to 5 years | 31st March, 2017 | 7.79%                                    | 67.49                            | 7.32                     | (26.19)                                      |

\*Includes weighted average rate for Cross Currency Interest Rate Swaps, Principal Only 2Swap and Coupon Swaps.

The line item in the Balance Sheet that includes the above Hedging Instruments is "Other Financial Assets"/ "Other Financial Liabilities".

## b) Fair Value Hedge

### Details of Foreign Exchange Forward Contracts Outstanding as on 31st March, 2018

| Sr. No.   | Type of Hedge and Risk                    | Foreign Currency Amount (₹ in Crore) |             | Weighted average Foreign Exchange Rate |             | Nominal Value (₹ in Crore) |             | Carrying amount of Hedging Instrument (₹ in Crore) |             | Maturity Date- Range     |
|-----------|-------------------------------------------|--------------------------------------|-------------|----------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|--------------------------|
|           |                                           | Assets                               | Liabilities | Assets                                 | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |                          |
| <b>B</b>  | <b>FAIR VALUE HEDGE</b>                   |                                      |             |                                        |             |                            |             |                                                    |             |                          |
|           | Foreign Exchange risk                     |                                      |             |                                        |             |                            |             |                                                    |             |                          |
| <b>1)</b> | <b>Foreign Exchange Forward Contracts</b> |                                      |             |                                        |             |                            |             |                                                    |             |                          |
| a         | USD                                       | 3.77                                 | 0.17        | 66.55                                  | 64.88       | 250.88                     | 11.13       | 0.00                                               | 2.54        | 10-04-2018 to 22-02-2019 |
| b         | EUR                                       | 1.67                                 | 0.14        | 81.66                                  | 78.79       | 136.29                     | 11.02       | 2.40                                               | 0.00        | 05-04-2018 to 12-02-2019 |
| c         | GBP                                       | 0.00                                 | 0.06        | 0.00                                   | 88.31       | 0.00                       | 5.53        | 0.00                                               | 0.30        | 23-04-2018 to 27-07-2018 |
| d         | JPY                                       | 0.00                                 | 1.50        | 0.00                                   | 0.58        | 0.00                       | 0.88        | 0.00                                               | 0.06        | 10-04-2018 to 29-12-2018 |

## 2. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the prevailing market interest rates. The Group's exposure to the risk, due to changes in interest rates, relates primarily to the Group's short-term borrowings (excluding commercial papers) with floating interest rates. For all long-term borrowings in foreign currency with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Group constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.



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## Interest Rate Exposure:

| Particulars                         | (₹ in Crore)     |                          |                       |                                 |
|-------------------------------------|------------------|--------------------------|-----------------------|---------------------------------|
|                                     | Total Borrowings | Floating Rate Borrowings | Fixed Rate Borrowings | Non-Interest Bearing Borrowings |
| INR                                 | 18,101.03        | 11,043.91                | 6,754.32              | 302.80                          |
| USD                                 | 4,301.94         | 744.77                   | 3,557.17              | -                               |
| AED                                 | 16.98            | 16.98                    | -                     | -                               |
| BDT                                 | 27.21            | 27.21                    | -                     | -                               |
| EURO                                | 4.62             | -                        | 4.62                  | -                               |
| BHD                                 | 2.06             | 2.06                     | -                     | -                               |
| <b>Total as at 31st March, 2018</b> | <b>22,453.84</b> | <b>11,834.93</b>         | <b>10,316.11</b>      | <b>302.80</b>                   |
| INR                                 | 5,281.60         | 1,080.54                 | 3,878.46              | 322.60                          |
| USD                                 | 3,866.08         | -                        | 3,866.08              | -                               |
| AED                                 | 0.74             | 0.74                     | -                     | -                               |
| BDT                                 | 61.37            | 61.37                    | -                     | -                               |
| EURO                                | 1.23             | 1.23                     | -                     | -                               |
| BHD                                 | 2.01             | -                        | 2.01                  | -                               |
| <b>Total as at 31st March, 2017</b> | <b>9,213.03</b>  | <b>1,143.88</b>          | <b>7,746.55</b>       | <b>322.60</b>                   |

Note: Interest rate risk hedged for FCY borrowings has been shown under Fixed Rate borrowings.

## Interest Rate Sensitivities for Floating Rate Borrowings (impact of increase in 1%):

| Particulars | (₹ in Crore)                |                  |                             |                  |
|-------------|-----------------------------|------------------|-----------------------------|------------------|
|             | As at 31st March, 2018      |                  | As at 31st March, 2017      |                  |
|             | Impact on profit before tax | Impact on Equity | Impact on profit before tax | Impact on Equity |
| INR         | (110.44)                    | (72.22)          | (10.81)                     | (7.07)           |
| USD         | (7.44)                      | (4.87)           | -                           | -                |
| AED         | (0.17)                      | (0.11)           | (0.01)                      | -                |
| BHD         | (0.02)                      | -                | (0.01)                      | -                |
| BDT         | (0.27)                      | (0.18)           | (0.61)                      | (0.40)           |

Note: If the rate is decreased by 100 bps the profit before tax will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowings have been done on the notional value of the foreign currency (excluding the revaluation).

## 3. Equity Price Risk:

The Group is exposed to equity price risk arising from Equity Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost).

### Equity Price Sensitivity Analysis:

The Sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

# Notes

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If equity prices of the quoted investments increase/decrease by 5%, Other Comprehensive Income for the year ended 31st March, 2018, would increase/decrease by ₹ 186.61 Crore (for the year ended 31st March, 2017 by ₹ 118.97 Crore).

## 4. Credit Risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

The carrying amount of financial assets represents the maximum credit risk exposure.

### a. Trade Receivables

Trade receivables are consisting of a large number of customers. The Group has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

Total Trade receivables as on 31st March, 2018 is ₹ 5,018.19 Crore (excluding ₹ 194.95 Crore of Insurance and NBFC/HFC Business) (31st March, 2017: ₹ 3,009.56 Crore).

Given the diverse nature of the Company's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the Company's net sales or for any of the Company's primary businesses during the year ended 31st March 2018, and in the previous year. Therefore, the Company does not expect any material risk on account of non-performance by any of its counter parties.

As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date, wherever outstanding is for longer period and involves higher risk.

The ageing analysis of the receivables (net of provision) has been considered from the date the invoice falls due.

| (₹ in Crore)                                            |                               |                       |                   |                   |                        |          |
|---------------------------------------------------------|-------------------------------|-----------------------|-------------------|-------------------|------------------------|----------|
| Particulars                                             | Neither past due nor impaired | For less than 1 Month | For 1 to 3 Months | For 3 to 6 Months | For more than 6 Months | Total    |
| <b>As at 31st March 2018</b>                            |                               |                       |                   |                   |                        |          |
| Trade Receivables                                       | 4,544.48                      | 298.84                | 98.15             | 28.37             | 48.35                  | 5,018.19 |
| Other Financial Assets- Freight Subsidy and Gas Pooling | 92.50                         | 28.53                 | 17.30             | 0.81              | 2.51                   | 141.65   |
| <b>As at 31st March, 2017</b>                           |                               |                       |                   |                   |                        |          |
| Trade Receivables                                       | 2,795.83                      | 105.70                | 42.69             | 21.60             | 43.74                  | 3,009.56 |

# Notes

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## Movement of Loss Allowance:

(₹ in Crore)

| Particulars                                                      | Current Year  | Previous Year |
|------------------------------------------------------------------|---------------|---------------|
| <b>Opening Provision</b>                                         | <b>47.27</b>  | <b>24.37</b>  |
| Transferred on merger of erstwhile ABCIL                         | <b>54.84</b>  | -             |
| Divestment of a Subsidiary Company                               | <b>(1.87)</b> | -             |
| Add: Provided during the year                                    | <b>25.17</b>  | <b>24.29</b>  |
| Less: Utilised during the Year (including reversal of provision) | <b>(3.12)</b> | <b>(1.39)</b> |
| <b>Closing Provision</b>                                         | <b>122.29</b> | <b>47.27</b>  |

### b. Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposit:

Credit Risk on cash and cash equivalents, deposits with banks/financial institutions is generally low, as the said deposits have been made with banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low, as the Group enters into the Derivative Contracts with the reputed banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investments in units of quoted Mutual Funds, quoted Bonds; Non-Convertible Debentures issued by Government/Semi Government Agencies/PSU Bonds/High Investment grade Corporates, etc. These Mutual Funds and Counterparties have low credit risk.

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories, and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Total Non-current and current investments (excluding Investment of Insurance Business) as on 31st March, 2018, is ₹ 14,334.28 Crore (31st March, 2017 ₹ 14,200.38 Crore).

### 5. Liquidity risk:

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of credit facilities to meet obligations, when due. The Group's treasury team is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management. The Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

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The table below provides details of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

|                                                                            |                     |              |                      | (₹ in Crore) |
|----------------------------------------------------------------------------|---------------------|--------------|----------------------|--------------|
| As at 31st March, 2018                                                     | Less than<br>1 Year | 1 to 5 Years | More than<br>5 Years | Total        |
| <b>Financial Liabilities</b>                                               |                     |              |                      |              |
| Borrowings (including Current Maturities of Long-term Debts)               | 6,675.41            | 6,078.18     | 10,711.91            | 23,465.50    |
| Trade Payables                                                             | 4,791.29            | -            | -                    | 4,791.29     |
| Interest Accrued but not Due on Borrowings                                 | 192.19              | -            | -                    | 192.19       |
| Other Financial Liabilities (excluding Derivative Liability)               | 1,616.50            | -            | 8.03                 | 1,624.53     |
| Derivative Liability                                                       | 24.96               | 28.27        | -                    | 53.23        |
| <b>Liquid Financial Assets</b>                                             |                     |              |                      |              |
| Surplus Investments in Mutual Funds, Bonds, Investment in L&T shares, etc. | 7,121.62            | 2,537.62     | 433.34               | 10,092.58    |

|                                                              |                     |              |                      | (₹ in Crore) |
|--------------------------------------------------------------|---------------------|--------------|----------------------|--------------|
| As at 31st March, 2017                                       | Less than<br>1 Year | 1 to 5 Years | More than<br>5 Years | Total        |
| <b>Financial Liabilities</b>                                 |                     |              |                      |              |
| Borrowings (including Current Maturities of Long-term Debts) | 2,444.32            | 5,587.40     | 1,186.99             | 9,218.70     |
| Trade Payables                                               | 3,068.82            | 8.13         | -                    | 3,076.95     |
| Interest Accrued but not Due on Borrowings                   | 149.27              | -            | -                    | 149.27       |
| Other financial liabilities (excluding Derivative Liability) | 241.16              | 3.66         | -                    | 244.82       |
| Derivative Liability                                         | 11.15               | 31.15        | -                    | 42.30        |
| <b>Liquid Financial Assets</b>                               |                     |              |                      |              |
| Surplus Investments in Mutual Funds, Bonds, etc.             | 6,994.13            | 2,148.37     | 65.43                | 9,207.93     |

## 6. Commodity Price Risk Management:

Commodity price risk for the Group is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Group. Since the energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Group enters into forward covers for imported coal, enter into long-term supply agreement for pet coke, identifying new sources of supply, etc. While forward covers are prevailing in the markets for coal, but in case of pet coke no such derivative available; it has to be procured at spot prices. Additionally, processes and policies related to such risks are reviewed and controlled by the senior management and fuel requirements are monitored by the central procurement team.

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## 4.12 Business Combination (Ind AS 103)

### A) Scheme of Arrangement for Amalgamation of Aditya Birla Nuvo Limited (ABNL) with the Company and demerger of Financial Services business into Aditya Birla Capital Limited (ABCL) (earlier known as Aditya Birla Financial Services Limited)

On 11th August 2016, the Board of Directors of the Company had approved a composite Scheme of Arrangement between the Company, ABNL and ABCL (a wholly owned Subsidiary of ABNL) and their respective shareholders and creditors for merger of ABNL with the Company, and the subsequent demerger of its financial services business into ABFS and consequent listing of equity shares of ABFS.

ABNL is a premium conglomerate which commands leadership position across its Financial Services, Telecom, Linen and Manufacturing businesses.

#### The Major Rationale for merger of ABNL:

- Stronger parentage for financial services business : Financial services business is likely to benefit from lower cost of funds, given strong credit rating of the Company
- Access to high growth business: Cash flow of the merged entity from various operating business can be meaningfully leveraged towards nurturing companies with future growth opportunities.
- Value unlocking in financial services business: Demerger of financial services business will unlock the value for shareholders given the business has achieved scale and listing of ABCL provides flexibility to independently fund its growth through various sources of capital.

During the year, the merger has become effective from 1st July, 2017, hence ABNL ceased to exist effective from 1st July 2017. As a part of the Scheme, demerger of financial services business into ABCL has also become effective from 4th July, 2017.

In terms of the Scheme, the Company has issued 190,462,665 equity shares on 9th July, 2017 to the shareholders of ABNL in the ratio of 15 (fifteen) equity Shares of ₹ 2/- each fully paid up against 10 (ten) Equity Shares of ₹ 10/- each fully-paid up of ABNL held by them on the record date for this purpose. As a result, the Company's paid up share capital has increased from ₹ 93.38 Crore to ₹ 131.47 Crore.

The total purchase consideration for the said transaction was ₹ 23,657.37 Crore.

On account of demerger of financial services business, ABCL has issued its equity shares in the ratio of 7 (seven) equity shares of ₹ 10 each fully paid-up in respect of 5 (five) equity shares of ₹ 2 each fully paid up of the Company held by the shareholders of the Company on the record date for this purpose. As a result, the holding of the Company in ABCL stands reduced to 55.99%.

For the nine months period ended 31st March, 2018, erstwhile ABNL has contributed revenue of ₹ 13,006.97 Crore and profit before tax (before non-controlling interest) of ₹ 937.84 Crore to the Group results. If the merger had occurred on 1st April, 2017, the consolidated revenue and profit before tax for the year ended would have been ₹ 17,342.63 Crore and ₹ 1,250.46 Crore respectively based on the amounts extrapolated by the Management. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of merger, would have been same if the merger had occurred on 1st April, 2017.



# Notes

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## (i) Identifiable Assets acquired and Liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition and demerger of financial services business as on 4th July, 2017

| Particulars                                                                                                                           | As on<br>1st July' 2017 | As on<br>4th July'2017 |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|
| Property, Plant and Equipment                                                                                                         | 2,788.68                | 2,788.68               |
| Capital Work-in-Progress                                                                                                              | 139.22                  | 139.22                 |
| Identifiable Intangible Assets                                                                                                        | 3,943.55                | 3,943.55               |
| Intangible Assets under Development                                                                                                   | 39.49                   | 39.49                  |
| Investments in Associates and Joint Ventures                                                                                          | 12,165.64               | 12,165.64              |
| Non-Current Investments                                                                                                               |                         |                        |
| - Investments of Insurance Business                                                                                                   | 10,495.49               | 10,495.49              |
| - Other Investments                                                                                                                   | 3,936.56                | 3,936.56               |
| Assets held to cover linked liabilities                                                                                               | 24,990.64               | 24,990.64              |
| Loans (includes Loans and Advances of NBFC and HFC Business)                                                                          | 39,528.26               | 39,528.26              |
| Other Non-Current Assets                                                                                                              | 968.06                  | 968.06                 |
| Inventories                                                                                                                           | 631.44                  | 631.44                 |
| Current Investments                                                                                                                   |                         |                        |
| - Investments of Insurance Business                                                                                                   | 732.80                  | 732.80                 |
| - Other Investments                                                                                                                   | 2,187.31                | 2,187.31               |
| Trade Receivables                                                                                                                     | 1,445.13                | 1,445.13               |
| Cash and Cash Equivalents                                                                                                             | 1,032.61                | 1,029.81               |
| Bank Balances other than Cash and Cash Equivalents                                                                                    | 173.89                  | 173.89                 |
| Other Current Assets                                                                                                                  | 628.75                  | 628.75                 |
| <b>Total Assets (A)</b>                                                                                                               | <b>105,827.52</b>       | <b>105,824.72</b>      |
| Non-Current Borrowings                                                                                                                | 22,074.71               | 22,074.71              |
| Current Borrowings                                                                                                                    | 12,087.51               | 12,087.51              |
| Trade Payables                                                                                                                        | 1,411.58                | 1,411.58               |
| Policyholder Liabilities                                                                                                              | 34,862.74               | 34,862.74              |
| Provision against Contingent Liability                                                                                                | 95.34                   | 95.34                  |
| Other Liabilities and Provisions                                                                                                      | 5,686.03                | 5,686.03               |
| Deferred Tax Liabilities (Net)                                                                                                        | 1,534.81                | 1,534.81               |
| Tax Provision (Net)                                                                                                                   | 7.33                    | 7.33                   |
| <b>Total Liabilities (B)</b>                                                                                                          | <b>77,760.05</b>        | <b>77,760.05</b>       |
| <b>Total Identifiable Net Assets acquired (before adjustment of Non-Controlling Interest and cancellation of Cross Holding) (A-B)</b> | <b>28,067.47</b>        | <b>28,064.67</b>       |
| Less:                                                                                                                                 |                         |                        |
| Non-Controlling Interest                                                                                                              | 5,152.18                | 17,487.50              |
| Cancellation of Cross Holding by the Company in erstwhile ABNL                                                                        | 621.55                  | 621.55                 |
| <b>Total Identifiable Net Assets Acquired</b>                                                                                         | <b>22,293.74</b>        | <b>9,955.62</b>        |
| Less: Purchase Consideration [Share Capital: ₹ 38.09 Crore, Securities Premium: ₹ 23,619.28 Crore]                                    | 23,657.37               | 23,657.37              |
| Add: Reserves taken over                                                                                                              | 119.00                  | 119.00                 |
| Add: Replacement of ABNL ESOPs with the Company's ESOP (including ESOP reserve of Subsidiary)                                         | 13.77                   | 13.77                  |
| <b>Goodwill</b>                                                                                                                       | <b>1,496.40</b>         | <b>13,834.52</b>       |

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The gross contractual amounts and fair value of Trade and Other Receivables acquired ₹ 41,028.23 Crore. However, ₹ 54.84 Crore of the trade and other receivables are credit impaired and the balance ₹ 40,973.39 Crore is expected to be recoverable.

**(ii) Note on Goodwill arising:**

Total goodwill was ₹ 13,834.52 Crore on merger on ABNL (post-demerger of Financial Services) .The goodwill on acquisition can be attributable to financial services business & its skilled employees and expected synergies from combining operations of ABNL with the Company.

Goodwill is not deductible for tax purposes.

**Reconciliation of Goodwill refer Note 2.2**

**(iii) Details of Acquisition Related Cost**

|                                                                                                        | ₹ Crore       |
|--------------------------------------------------------------------------------------------------------|---------------|
| Provision for Stamp Duty for title transfer in the name of the Company (disclosed as Exceptional Item) | 238.00        |
| Legal, advisory, valuation, professional or consulting fees, cost of issuing equity securities, etc.   | 12.90         |
| <b>Total</b>                                                                                           | <b>250.90</b> |

(iv) The figures given above are provisional as fair valuation of one of the Associate is still under progress as its merger was going on with other Company.

**B) Arrangement with Century Textiles and Industries Limited ('CTIL') for obtaining Right and Responsibility to Manage, Operate, Use and Control the Viscose Filament Yarn ('VFY') Business of CTIL.**

The Board of Directors of the Company at their meeting held on 12th December, 2017 has approved an arrangement with Century Textiles and Industries Limited (CTIL), under which CTIL will grant the right and responsibility to manage, operate, use and control the Viscose Filament Yarn (VFY) business of CTIL (without transferring ownership in the underlying immovable and movable assets other than working Capital) for a duration of 15 (fifteen) years to the Company for the agreed consideration. The above said arrangement has become effective from 1st February, 2018.

The VFY business of CTIL is based out of Shahad in Maharashtra, India with an annual capacity of 26,500 tonnes. Products manufactured include Pot Spun Yarn, Continuous Spun Yarn, VFY and Rayon Tyre Yarn.

**The major rationales for such arrangement:**

- Grasim with its new SSY technology & CTIL's presence in Rayon Tyre Yarn would offer significant growth prospects.
- Synergy potential in plant and sales operations would provide additional benefits
- Potential to leverage brand strength in value chain.
- Capex light capacity expansion compared to a Greenfield expansion

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In terms of the agreement, the Company has discharged consideration in the following manner:

- (i) Commuted royalty amounting to ₹ 600 Crore
- (ii) Time value of money of interest free security deposit ₹ 161.40 Crore
- (iii) Net working capital at closing is estimated at approximately ₹ 103.31 Crore

For the two months period ended 31st March, 2018, the said VFY business unit has contributed revenue of ₹ 161.28 Crore and profit before tax of ₹ 8.58 Crore ( including fair valuation impact of Finished goods Inventory) to the Group results. If the said arrangement had occurred on 1st April, 2017, the consolidated revenue and profit before tax for the year ended would have been, ₹ 967.68 Crore and ₹ 51.48 Crore, respectively based on the amounts extrapolated by the management. In determining these amounts, the management has assumed that the fair value adjustments, that arose on the date of arrangement have been the same as if the arrangement occurred on 1st April, 2017.

## Identifiable Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

| Particulars                                            | (₹ in Crore)             |
|--------------------------------------------------------|--------------------------|
|                                                        | As on 1st February, 2018 |
| Identifiable Intangible Assets                         |                          |
| Right to Manage and Operate Manufacturing Facility     | 661.50                   |
| Distributor/Customer Relationship                      | 76.30                    |
| Order Backlog                                          | 9.20                     |
| Non-Compete                                            | 21.50                    |
| Net Working Capital                                    |                          |
| Fair value of Interest Benefit Receivable              | 7.93                     |
| Other Non-Current Assets (Financial and Non-Financial) | 0.78                     |
| Inventories                                            | 127.52                   |
| Trade Receivables                                      | 61.17                    |
| Other Current Assets (Financial and Non-Financial)     | 16.68                    |
| <b>Total Assets (A)</b>                                | <b>982.58</b>            |
| Deferred Tax Liability                                 | 4.96                     |
| Derivative Liability                                   | 18.30                    |
| Trade Payables                                         | 71.39                    |
| Other Liabilities and Provisions                       | 22.70                    |
| <b>Total Liabilities (B)</b>                           | <b>117.35</b>            |
| <b>Total Identifiable Net Assets acquired (A-B)</b>    | <b>865.23</b>            |
| Less: Purchase Consideration                           | 864.71                   |
| <b>Capital Reserve</b>                                 | <b>0.52</b>              |

The gross contractual amounts and fair value of trade and other receivables acquired ₹ 69.10 Crore. None of the trade and other receivables is credit impaired and it is expected that the full contractual amounts will be recoverable.

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The above figures are provisional as the acquisition of rights to manage and operate Century Yarn was carried out in the last quarter of the current year, hence, the fair valuation of assets and liabilities was pending for finalisation.

## Acquisition Related Costs

Acquisition related costs of ₹ 1.77 Crore (including Stamp Duty) have been recognised under Miscellaneous Expenses, and Rates and Taxes in the Statement of Profit and loss.

## C) Acquisition of Identified Cement Units of JAL and JCCL (Ind AS 103):

Pursuant to the Scheme of Arrangement between UTCL, JAL, JCCL and their respective shareholders and creditors ("the Scheme"), the UTCL has acquired identified cement units of JAL and JCCL on June 29, 2017 at an enterprise valuation of ₹ 16,189.00 Crore having total cement capacity of 21.2 MTPA including 4 MTPA under construction. The acquisition provides the UTCL a geographic market expansion with entry into high growth markets, where it needed greater reinforcement and creating synergies in manufacturing, distribution and logistics which offers many advantages. This will also create value for shareholders with the ready to use assets reducing time to markets, availability of land, mining leases, fly ash and railway infrastructure leading to overall operating costs advantage.

### (A) Fair Value of the Consideration Transferred:

Against the total enterprise value of ₹ 16,189.00 Crore, UTCL has taken over borrowings of ₹ 10,189.00 Crore and negative working capital of ₹ 1,375.00 Crore from JAL and JCCL. After taking these liabilities into account, effective purchase consideration of ₹ 4,625.00 Crore has been discharged as under:

| (₹ in Crore)                                                    |                 |
|-----------------------------------------------------------------|-----------------|
| Particulars                                                     | Amount          |
| Issue of 6.37% Non-Convertible Debentures                       | 3,124.90        |
| Issue of Redeemable Preference Shares                           | 1,500.10*       |
| <b>Total Consideration Transferred for Business Combination</b> | <b>4,625.00</b> |

\* Redemption is linked with fulfillment of certain conditions. Out of that, ₹ 500 Crore has already been redeemed till the reporting date.

### (B) Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade Receivables and Other Financial Assets was ₹ 17.07 Crore, against which no provision has been considered since fair value of the acquired receivables are equal to carrying value as on the date of acquisition.

### (C) The Fair Value of identifiable assets acquired and liabilities assumed as on the acquisition date:

| (₹ in Crore)                  |           |
|-------------------------------|-----------|
| Particulars                   | Amount    |
| Property, Plant and Equipment | 11,689.69 |
| Capital Work-in-Progress      | 218.78    |
| Intangible Assets             | 2,715.88  |
| Other Non-Current Assets      | 1,604.43  |
| Inventories                   | 246.88    |

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| (₹ in Crore)                              |                  |
|-------------------------------------------|------------------|
| Particulars                               | Amount           |
| Trade and Other Receivables               | 16.21            |
| Other Financial Assets                    | 0.86             |
| Other Current Assets                      | 30.49            |
| <b>Total Assets</b>                       | <b>16,523.22</b> |
| Non-Current Borrowings                    | 10,189.00        |
| Current Borrowings                        | 497.55           |
| Provisions                                | 28.67            |
| Trade Payables                            | 806.05           |
| Other Financial Liabilities               | 33.19            |
| Other Current Liabilities                 | 303.97           |
| <b>Total Liabilities</b>                  | <b>11,858.43</b> |
| <b>Total Fair Value of the Net Assets</b> | <b>4,664.79</b>  |

**(D) Amount recognised directly in other equity (Capital Reserve):**

| (₹ in Crore)                                  |              |
|-----------------------------------------------|--------------|
| Particulars                                   | Amount       |
| Fair Value of the Net Assets Acquired         | 4,664.79     |
| Less: Fair Value of Consideration Transferred | 4,625.00     |
| <b>Capital Reserve</b>                        | <b>39.79</b> |

**(E) Acquisition Related Costs:**

Acquisition related costs of ₹ 5.57 Crore (March 31, 2017 ₹ 14.33 Crore) have been recognised under Miscellaneous Expenses, and Rates and Taxes in the Statement of Profit and Loss. The stamp duty paid/payable on transfer of the assets ₹ 226.28 Crore has been charged to the Statement of Profit and Loss and has been shown as an exceptional item.

**(F) UTCL runs an integrated operation with material movement across geographies and a common sales organization responsible for existing business as well as acquired business. Therefore, separate sales information for the acquired business is not exactly available and accordingly disclosures for revenue and profit/loss of the acquired business since acquisition date have not been made.**

Further, it is impracticable to provide revenue and profit/loss of the combined entity for the current year as though the acquisition date had been April 01, 2017, since these amounts relating to the acquired business for the period prior to the acquisition date are not readily available with the Company.



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## 4.13 Additional Information as required by paragraph 2 of the General Instruction for the preparation of CFS as per Schedule III of the Companies Act, 2013

### Current Year

(₹ in Crore)

| Sr. No.  | Name of the Entities                                           | Net Assets (Total Assets minus Total Liabilities) |                  | Share in Profit or Loss         |                 | Share in Other Comprehensive Income (OCI) |                 | Share in Total Comprehensive Income |                 |
|----------|----------------------------------------------------------------|---------------------------------------------------|------------------|---------------------------------|-----------------|-------------------------------------------|-----------------|-------------------------------------|-----------------|
|          |                                                                | As % of Consolidated Net Assets                   | Amount           | As % of Consolidated Net Assets | Amount          | As % of Consolidated Net Assets           | Amount          | As % of Consolidated Net Assets     | Amount          |
| <b>A</b> | <b>Parent (Holding Company)</b>                                | <b>17.93%</b>                                     | <b>15,003.28</b> | <b>47.31%</b>                   | <b>1,744.48</b> | <b>80.24%</b>                             | <b>(223.45)</b> | <b>44.62%</b>                       | <b>1,521.03</b> |
| <b>B</b> | <b>Subsidiaries</b>                                            |                                                   |                  |                                 |                 |                                           |                 |                                     |                 |
|          | <b>Indian</b>                                                  |                                                   |                  |                                 |                 |                                           |                 |                                     |                 |
| 1        | UltraTech Cement Limited (60.21%)                              | 31.52%                                            | 26,381.88        | 60.33%                          | 2,224.59        | -16.40%                                   | 45.68           | 66.59%                              | 2,270.27        |
| 2        | Aditya Birla Capital Limited (55.99%)                          | 33.73%                                            | 28,229.37        | 6.15%                           | 226.84          | 64.02%                                    | (178.28)        | 1.42%                               | 48.56           |
| 3        | Sun God Trading and Investment Limited (100%)                  | 0.00%                                             | 3.97             | 0.00%                           | 0.02            | -1.24%                                    | 3.45            | 0.10%                               | 3.47            |
| 4        | Samruddhi Swastik Trading and Investment Limited (100%)        | 0.06%                                             | 52.84            | 0.08%                           | 3.09            | -1.47%                                    | 4.08            | 0.21%                               | 7.17            |
| 5        | Grasim Bhiwani Textile Limited (100%)                          | 0.00%                                             | -                | -0.79%                          | (29.18)         | -0.47%                                    | 1.30            | -0.82%                              | (27.88)         |
| 6        | ABNL Investment Limited (100%)                                 | 0.12%                                             | 96.82            | 0.03%                           | 1.19            | -1.41%                                    | 3.94            | 0.15%                               | 5.13            |
|          | <b>Foreign</b>                                                 |                                                   |                  |                                 |                 |                                           |                 |                                     |                 |
| 1        | Aditya Birla Chemicals (Belgium) BVBA (99.97%)                 | 0.00%                                             | (2.11)           | -0.03%                          | (1.05)          | 0.17%                                     | (0.46)          | -0.04%                              | (1.51)          |
|          | <b>Subtotal (B)</b>                                            | <b>65.43%</b>                                     | <b>54,762.77</b> | <b>65.77%</b>                   | <b>2,425.50</b> | <b>43.20%</b>                             | <b>(120.29)</b> | <b>67.61%</b>                       | <b>2,305.21</b> |
| <b>C</b> | <b>Associates (As per Equity Method)</b>                       |                                                   |                  |                                 |                 |                                           |                 |                                     |                 |
|          | <b>Indian</b>                                                  |                                                   |                  |                                 |                 |                                           |                 |                                     |                 |
| 1        | Aditya Birla Science & Technology Co. Private Limited (39.00%) | 0.02%                                             | 15.77            | 0.04%                           | 1.39            | -0.01%                                    | 0.04            | 0.04%                               | 1.43            |
| 2        | Idea Cellular Limited (23.13%)                                 | 9.15%                                             | 7,661.02         | -17.67%                         | (651.69)        | -2.42%                                    | 6.73            | -18.92%                             | (644.96)        |
| 3        | Madanpur (North) Coal Company Limited (6.73%)                  | 0.00%                                             | 0.83             | 0.00%                           | (0.10)          | 0.00%                                     | -               | 0.00%                               | (0.10)          |
| 4        | Aditya Birla Renewable SPV1 Limited (15.65%)                   | 0.00%                                             | 3.48             | 0.00%                           | (0.04)          | 0.00%                                     | -               | 0.00%                               | (0.04)          |
| 5        | Aditya Birla Idea Payments Bank Limited (51.00%)               | 0.17%                                             | 139.84           | -2.48%                          | (91.49)         | -0.23%                                    | 0.65            | -2.66%                              | (90.84)         |
|          | <b>Sub-total (C)</b>                                           | <b>9.34%</b>                                      | <b>7,820.94</b>  | <b>-20.11%</b>                  | <b>(741.93)</b> | <b>-2.66%</b>                             | <b>7.42</b>     | <b>-21.54%</b>                      | <b>(734.51)</b> |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

| Sr. No.  | Name of the Entities                                           | Net Assets (Total Assets minus Total Liabilities) |                  | Share in Profit or Loss         |                 | Share in Other Comprehensive Income (OCI) |                 | Share in Total Comprehensive Income |                 |
|----------|----------------------------------------------------------------|---------------------------------------------------|------------------|---------------------------------|-----------------|-------------------------------------------|-----------------|-------------------------------------|-----------------|
|          |                                                                | As % of Consolidated Net Assets                   | Amount           | As % of Consolidated Net Assets | Amount          | As % of Consolidated Net Assets           | Amount          | As % of Consolidated Net Assets     | Amount          |
| <b>D</b> | <b>Joint Ventures (As per Equity Method)</b>                   |                                                   |                  |                                 |                 |                                           |                 |                                     |                 |
|          | <b>Indian</b>                                                  |                                                   |                  |                                 |                 |                                           |                 |                                     |                 |
| 1        | Bhubaneswari Coal Mining Limited (26.00%)                      | 0.11%                                             | 88.37            | 0.36%                           | 13.18           | 0.04%                                     | (0.11)          | 0.38%                               | 13.07           |
| 2        | Aditya Birla Solar Limited (50.10%)                            | 0.04%                                             | 32.72            | 0.08%                           | 2.81            | 0.15%                                     | (0.42)          | 0.07%                               | 2.39            |
| 3        | Aditya Birla Renewables Limited (85.59%)                       | 0.03%                                             | 23.77            | -0.11%                          | (4.02)          | 0.00%                                     | -               | -0.12%                              | (4.02)          |
| 4        | Aditya Birla Sunlife AMC Limited (28.55%)                      | 5.83%                                             | 4,878.22         | 3.52%                           | 129.76          | -0.04%                                    | 0.12            | 3.81%                               | 129.88          |
| 5        | Aditya Birla Wellness Private Limited (28.55%)                 | 0.01%                                             | 8.38             | -0.06%                          | (2.29)          | 0.00%                                     | 0.01            | -0.07%                              | (2.28)          |
| 6        | Aditya Birla Sun Life Trustee Company Private Limited (28.47%) | 0.00%                                             | 0.37             | 0.00%                           | 0.03            | 0.00%                                     | -               | 0.00%                               | 0.03            |
| 7        | Bhaskarpara Coal Company Limited (28.52%)                      | 0.00%                                             | 6.50             | 0.00%                           | 0.01            | 0.00%                                     | -               | 0.00%                               | 0.01            |
|          | <b>Foreign</b>                                                 |                                                   |                  |                                 |                 |                                           |                 |                                     | -               |
| 1        | AV Group NB Inc. (45%)                                         | 0.62%                                             | 521.70           | 2.28%                           | 84.16           | -5.21%                                    | 14.51           | 2.89%                               | 98.67           |
| 2        | Birla Jingwei Fibres Co. Limited (26.63%)                      | 0.10%                                             | 82.60            | 0.42%                           | 15.61           | -2.49%                                    | 6.94            | 0.66%                               | 22.55           |
| 3        | Birla Laos Pulp & Plantations Company Limited (40%)            | 0.08%                                             | 63.77            | -0.14%                          | (4.93)          | 0.49%                                     | (1.37)          | -0.18%                              | (6.30)          |
| 4        | Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (33.33%)   | 0.00%                                             | 1.38             | 0.00%                           | 0.12            | 0.04%                                     | (0.12)          | 0.00%                               | -               |
| 5        | Aditya Group AB (33.33%)                                       | 0.48%                                             | 403.96           | 0.68%                           | 25.13           | -13.75%                                   | 38.28           | 1.87%                               | 63.41           |
| 6        | AVTerrace Bay (40%)                                            | 0.00%                                             | -                | 0.00%                           | -               | 0.00%                                     | -               | 0.00%                               | -               |
|          | <b>Sub-total (D)</b>                                           | <b>7.30%</b>                                      | <b>6,111.74</b>  | <b>7.03%</b>                    | <b>259.57</b>   | <b>-20.77%</b>                            | <b>57.84</b>    | <b>9.31%</b>                        | <b>317.41</b>   |
|          | <b>TOTAL (A+B+C+D)</b>                                         | <b>100.00%</b>                                    | <b>83,698.73</b> | <b>100.00%</b>                  | <b>3,687.62</b> | <b>100.00%</b>                            | <b>(278.48)</b> | <b>100.00%</b>                      | <b>3,409.14</b> |

Note: Figures provided above are net of intercompany eliminations

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

## Previous Year

(₹ in Crore)

| Sr. No.  | Name of the Entities                                       | Net Assets (Total Assets minus Total Liabilities) |                  | Share in Profit or Loss         |                 | Share in Other Comprehensive Income (OCI) |              | Share in Total Comprehensive Income |                 |
|----------|------------------------------------------------------------|---------------------------------------------------|------------------|---------------------------------|-----------------|-------------------------------------------|--------------|-------------------------------------|-----------------|
|          |                                                            | As % of Consolidated Net Assets                   | Amount           | As % of Consolidated Net Assets | Amount          | As % of Consolidated Net Assets           | Amount       | As % of Consolidated Net Assets     | Amount          |
| <b>A</b> | <b>Parent (Holding Co.)</b>                                | 35.01%                                            | 14,386.91        | 33.08%                          | 1,404.34        | 104.81%                                   | 1,009.75     | 46.34%                              | 2,414.09        |
| <b>B</b> | <b>Subsidiary</b>                                          |                                                   |                  |                                 |                 |                                           |              |                                     |                 |
|          | <b>Indian</b>                                              |                                                   |                  |                                 |                 |                                           |              |                                     |                 |
| 1        | UltraTech Cement Limited (60.23%)                          | 59.37%                                            | 24,393.48        | 63.91%                          | 2,713.51        | 3.12%                                     | 30.04        | 52.67%                              | 2,743.55        |
| 2        | Sun God Trading and Investment Limited (100%)              | 0.00%                                             | 0.50             | 0.00%                           | 0.03            | 0.00%                                     | -            | 0.00%                               | 0.03            |
| 3        | Samruddhi Swastik Trading and Investment Limited (100%)    | 0.11%                                             | 45.47            | 0.08%                           | 3.45            | -0.03%                                    | (0.25)       | 0.06%                               | 3.20            |
| 4        | Grasim Bhiwani Textile Limited (100%)                      | 0.26%                                             | 105.68           | -0.08%                          | (3.42)          | -0.08%                                    | (0.73)       | -0.08%                              | (4.14)          |
|          | <b>Foreign</b>                                             |                                                   |                  |                                 |                 |                                           |              |                                     |                 |
| 1        | Aditya Birla Chemicals (Belgium) BVBA (99.97%)             | 0.00%                                             | 0.68             | -0.04%                          | (1.71)          | 0.02%                                     | 0.16         | -0.03%                              | (1.55)          |
|          | <b>Subtotal (B)</b>                                        | <b>59.74%</b>                                     | <b>24,545.81</b> | <b>63.87%</b>                   | <b>2,711.87</b> | <b>3.03%</b>                              | <b>29.22</b> | <b>52.62%</b>                       | <b>2,741.09</b> |
| <b>C</b> | <b>Associates (Investment as per Equity Method)</b>        |                                                   |                  |                                 |                 |                                           |              |                                     |                 |
|          | <b>Indian</b>                                              |                                                   |                  |                                 |                 |                                           |              |                                     |                 |
| 1        | Aditya Birla Science & Technology Co. Pvt. Ltd (39%)       | 0.03%                                             | 10.79            | 0.00%                           | 0.14            | -0.01%                                    | (0.11)       | 0.00%                               | 0.03            |
| 2        | Idea Cellular Limited (4.74%)                              | 2.84%                                             | 1,166.07         | -0.45%                          | (18.95)         | -0.02%                                    | (0.21)       | -0.37%                              | -19.16          |
| 3        | Madanpur (North) Coal Company Limited (6.73%)              | 0.00%                                             | 0.95             | 0.00%                           | 0.01            | 0.00%                                     | -            | 0.00%                               | 0.01            |
|          | <b>Subtotal (C)</b>                                        | <b>2.87%</b>                                      | <b>1,177.81</b>  | <b>-0.45%</b>                   | <b>(18.80)</b>  | <b>-0.03%</b>                             | <b>-0.32</b> | <b>-0.37%</b>                       | <b>-19.12</b>   |
| <b>D</b> | <b>Joint Ventures (As per Proportionate Consolidation)</b> |                                                   |                  |                                 |                 |                                           |              |                                     |                 |
|          | <b>Indian</b>                                              |                                                   |                  |                                 |                 |                                           |              |                                     |                 |
| 1        | Bhubaneswari Coal Mining Limited (26%)                     | 0.18%                                             | 75.30            | 0.31%                           | 13.31           | 0.01%                                     | 0.12         | 0.26%                               | 13.43           |
|          | <b>Foreign</b>                                             |                                                   |                  |                                 |                 |                                           |              |                                     |                 |
| 1        | AV Group NB Inc. (45%)                                     | 1.03%                                             | 421.34           | 1.73%                           | 73.35           | -2.88%                                    | (27.73)      | 0.88%                               | 45.62           |
| 2        | Birla Jingwei Fibres Co. Limited (26.63%)                  | 0.15%                                             | 60.27            | 0.84%                           | 35.57           | -0.45%                                    | (4.35)       | 0.60%                               | 31.22           |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Crore)

| Sr. No. | Name of the Entities                                         | Net Assets (Total Assets minus Total Liabilities) |                  | Share in Profit or Loss         |                 | Share in Other Comprehensive Income (OCI) |                | Share in Total Comprehensive Income |                 |
|---------|--------------------------------------------------------------|---------------------------------------------------|------------------|---------------------------------|-----------------|-------------------------------------------|----------------|-------------------------------------|-----------------|
|         |                                                              | As % of Consolidated Net Assets                   | Amount           | As % of Consolidated Net Assets | Amount          | As % of Consolidated Net Assets           | Amount         | As % of Consolidated Net Assets     | Amount          |
| 3       | Birla Laos Pulp & Plantations Company Limited (40%)          | 0.17%                                             | 70.07            | -0.02%                          | (1.01)          | -0.42%                                    | (4.07)         | -0.10%                              | (5.08)          |
| 4       | Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (33.33%) | 0.01%                                             | 4.46             | 0.10%                           | 4.05            | 0.90%                                     | 8.66           | 0.24%                               | 12.71           |
| 5       | Aditya Group AB (33.33%)                                     | 0.83%                                             | 340.55           | 0.54%                           | 22.93           | -4.97%                                    | (47.84)        | -0.47%                              | (24.91)         |
| 6       | AVTerrace Bay (40%)                                          | 0.00%                                             | -                | 0.00%                           | -               | 0.00%                                     | -              | 0.00%                               | -               |
| 7       | Bhaskarpara Coal Company Limited (28.52%)                    | 0.01%                                             | 6.49             | 0.00%                           | -               | 0.00%                                     | -              | 0.00%                               | -               |
|         | <b>Subtotal (D)</b>                                          | <b>2.38%</b>                                      | <b>978.48</b>    | <b>3.50%</b>                    | <b>148.20</b>   | <b>-7.81%</b>                             | <b>(75.21)</b> | <b>1.41%</b>                        | <b>72.99</b>    |
|         | <b>TOTAL (A+B+C+D)</b>                                       | <b>100.00%</b>                                    | <b>41,089.01</b> | <b>100.00%</b>                  | <b>4,245.61</b> | <b>100.00%</b>                            | <b>963.44</b>  | <b>100.00%</b>                      | <b>5,209.05</b> |

**4.14** The Company has spent ₹ 90.55 Crore on Corporate Social Responsibility Projects/initiatives during the year including ₹ 0.96 Crore towards capital expenditure (Previous Year ₹ 72.43 Crore including ₹ 1.64 Crore towards capital expenditure).

**4.15** Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.

Signatures to Notes '1' to '4'

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For **S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No: 324982E/E300003

**Sushil Agarwal**  
Whole-time Director &  
Chief Financial Officer  
DIN- 00060017

**Dilip Gaur**  
Managing Director  
DIN- 02071393

**Akeel Master**  
Partner  
Membership No.: 46768

**Vijay Maniar**  
Partner  
Membership No: 36738

**Hutokshi Wadia**  
Company Secretary  
Membership No.: 5761

**M. L. Apte**  
Independent Director  
DIN- 00003656

Mumbai  
Dated: 23rd May, 2018

Mumbai  
Dated: 23rd May, 2018



### GRASIM INDUSTRIES LIMITED

Registered Office: Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India

CIN: L17124MP1947PLC000410

Tel. No.: 07366 - 246760; E-mail: grasim.secretarial@adityabirla.com;

Website: www.grasim.com

### NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 71st Annual General Meeting of **GRASIM INDUSTRIES LIMITED** will be held on Friday, 14th September 2018, at 11.00 a.m. at the Registered Office of the Company at Grasim Staff Club, Birlagram, Nagda - 456331, District Ujjain, Madhya Pradesh, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March 2018, and the reports of the Directors and the Auditors thereon.
2. To declare Dividend on the Equity Shares of the Company for the financial year ended 31st March 2018.
3. To appoint a Director in place of Mr. Shailendra K. Jain (DIN: 00022454), who retires from office by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Rajashree Birla (DIN: 00022995), who retires from office by rotation and, being eligible, offers herself for re-appointment.
5. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Resolution No. 6 passed at the 69th Annual General Meeting held on 23rd September 2016, the Company hereby ratifies the appointment of B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), as Joint Statutory Auditors of the Company for the period commencing from the conclusion of the

69th Annual General Meeting until the conclusion of the 74th Annual General Meeting of the Company to be held in the year 2021, at such remuneration and reimbursement of out-of-pocket expenses in connection with the audit, as may be mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditors.

**RESOLVED FURTHER THAT** Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

6. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Resolution No. 5 passed at the 70th Annual General Meeting held on 22nd September 2017, the Company hereby ratifies the appointment of S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E), as Joint Statutory Auditors of the Company for the period commencing from the conclusion of the 70th Annual General Meeting until the conclusion of the 75th Annual General Meeting of the Company to be held in the year 2022, at such remuneration and reimbursement of out-of-pocket expenses in connection with the audit, as may be mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditors.

**RESOLVED FURTHER THAT** Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."



**SPECIAL BUSINESS:**

7. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in partial modification of Resolution No. 6 passed at the 69th Annual General Meeting held on 23rd September 2016, the words "subject to ratification of their appointment by the Members at every Annual General Meeting till the Seventy-third Annual General Meeting" appearing in the said Resolution No. 6 be deleted.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to ratify the appointment and fix the remuneration for the remaining term of appointment of B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), as Joint Statutory Auditors of the Company, i.e., for the period commencing from the conclusion of the 72nd Annual General Meeting until the conclusion of the 74th Annual General Meeting of the Company to be held in the year 2021.

**RESOLVED FURTHER THAT** Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

8. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in partial modification of Resolution No. 5 passed at the 70th Annual General Meeting held on 22nd September 2017, the words "subject to ratification of their appointment by the Members at every AGM till the Seventy-fourth AGM" appearing in the said Resolution No. 5 be deleted.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to ratify the appointment and fix the remuneration for the remaining term of appointment of S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E), as Joint Statutory Auditors of the Company, i.e., for the period commencing from the conclusion of the 72nd Annual General Meeting until the conclusion of the 75th Annual General Meeting of the Company to be held in the year 2022.

**RESOLVED FURTHER THAT** Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds,

matters and things as may be necessary, desirable or expedient to give effect to this resolution."

9. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company, Ms. Usha Sangwan (DIN: 02609263), who was appointed by the Board of Directors of the Company, as an Additional Director of the Company with effect from 23rd May 2018, be and is hereby appointed as a Director of the Company, whose office shall be liable to retirement by rotation."

10. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company, Mr. Himanshu Kapania (DIN: 03387441), who was appointed by the Board of Directors of the Company, as an Additional Director of the Company with effect from 14th August 2018, as per the provisions of Section 161 of the Companies Act 2013, be and is hereby appointed as a Non-Executive Director of the Company, whose office shall be liable to retirement by rotation."

11. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company, Ms. Anita Ramachandran (DIN: 00118188), who was appointed by the Board of Directors of the

Company, as an Additional and Independent Director of the Company with effect from 14th August 2018, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years commencing from 14th August 2018."

12. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time or any other applicable law, the Directorship of Mr. M. L. Apte (DIN: 00003656) as an Independent Director on the Board of the Company be continued till the end of his term, i.e., up to the conclusion of the 72nd Annual General Meeting to be held in the year 2019."

13. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time or any other applicable law, the Directorship of Mr. B. V. Bhargava (DIN: 00001823) as an Independent Director on the Board of the Company be continued till the end of his term, i.e., up to the conclusion of the 72nd Annual General Meeting to be held in the year 2019."

14. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), or any other applicable law, the Directorship of Mr. O. P. Rungta (DIN: 00020559) as an Independent Director on the Board of the Company be continued till the end of his term, i.e., up to 24th September 2019."

15. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, as amended from time to time or any other applicable law, the Directorship of Mr. Shailendra K. Jain (DIN: 00022454), as a Non-Executive Director on the Board of the Company, be continued till the end of his term, i.e., till he retires from office as Director, by rotation."

16. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time:

- (i) M/s. D.C. Dave & Co., Cost Accountants, Mumbai (Registration No. 000611), appointed by the Board to conduct the audit of cost records of the Company, except Viscose Fibre Yarn - Century Rayon Division, for the financial year ending 31st March 2019 at a remuneration not exceeding ₹ 15,00,000 (Rupees Fifteen Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit be and is hereby ratified and confirmed.
- (ii) M/s. M. R. Dudani & Co., Cost Accountants, Mumbai (Registration No. FRN- 100017), appointed by the Board to conduct the audit of cost records of Viscose Fibre Yarn - Century Rayon Division, for the financial year ending 31st March 2019 at a remuneration not exceeding ₹ 2,20,000 (Rupees Two Lakh Twenty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

17. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 67 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Memorandum and Articles of Association of the Company, the provisions of the Securities and

Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("the SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any rules, guidelines and regulations issued by the Reserve Bank of India or any other regulatory or governmental authority, and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any duly constituted committee, including the Nomination and Remuneration Committee constituted by the Board to exercise its powers conferred by this Resolution) consent be and is hereby accorded to the Board to introduce and implement the 'Grasim Industries Limited Employee Stock Option Scheme 2018' ("the Scheme 2018"), the salient features of which are furnished in the Explanatory Statements to the Notice and the same be implemented through creation of Grasim Employees' Welfare Trust ("the Trust").

**RESOLVED FURTHER THAT** consent be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time, to or for the benefit of, such persons who are in permanent employment of the Company and its subsidiary companies, in the management cadre, whether working in India or outside India, including any managing or whole time directors of the Company, its subsidiary companies (selected on the basis of criteria decided by the Board or Nomination and Remuneration Committee thereof) under the Scheme 2018, such number of stock options (comprising of options and/ or restricted stock units, as the case may be) (the "Stock Options") exercisable into not more than 35,15,528 Equity Shares of ₹ 2/- each (the "Equity Shares") being 0.53% of the paid-up equity share capital of the Company as on 31st March 2018 (or such other number adjusted in terms of the Scheme 2018 as per applicable law), at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI SBEB Regulations or other provisions of the law as may be prevailing at that time.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger

and sale of division or other reorganisation of capital structure of the Company, as applicable from time to time, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure a fair and reasonable adjustment to the Stock Options granted earlier. Further, the above ceiling of 0.53% i.e., 35,15,528 Equity Shares of ₹ 2/- each shall be deemed to be increased to the extent of such additional Equity Shares issued.

**RESOLVED FURTHER THAT** in case the Equity Shares are either sub-divided or consolidated, then the number of Equity Shares to be transferred on exercise of Stock Options and the exercise price of Stock Options shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted stock options under the Scheme 2018.

**RESOLVED FURTHER THAT** the Board is authorised to formulate, evolve, decide upon and implement the Scheme 2018 and determine the detailed terms and conditions of the Scheme 2018, including but not limited to the quantum of the Stock Options to be granted per employee in each tranche, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Stock Options, to such employees and directors of the Company and its subsidiary companies, at par or at such other price, at such time and on such terms and conditions as set out in the Scheme 2018 and as the Board may in its absolute discretion think fit, subject to applicable laws.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Scheme 2018, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme 2018 from time to time in conformity with the provisions of the Companies Act, 2013, (including any rules or regulations made thereunder), the SEBI SBEB Regulations and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the Employees who have been granted Stock Options under the Scheme 2018.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things, as may, at its absolute discretion, deem necessary including or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Scheme 2018 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals, if any, required by the Securities and Exchange Board of India / the stock exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc., as may be necessary in this regard.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the Scheme 2018 at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end, and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

18. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("the SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, any rules, guidelines and regulations issued by the Reserve Bank of India or any other regulatory or governmental authority and any other applicable laws, for the time being in force, and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any duly constituted committee, including the Nomination and Remuneration Committee constituted by the Board to exercise its powers conferred by this Resolution) consent be and is hereby accorded to the Board to extend the benefits and coverage of the Scheme 2018 (referred to in the Resolution under Item No. 17 of this Notice) to such persons who are in permanent employment of any present and future subsidiary companies of the Company in the management cadre, whether working in India or outside India, including any Managing or Whole-time Directors (selected on the basis of criteria decided by the Board) under the Scheme 2018 in the manner mentioned in the Resolution under Item No. 17 of this Notice on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI SBEB Regulations or other provisions of the law as may be prevailing at that time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper to settle any questions, difficulties or doubts that may arise in this regard."

19. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder as amended from time to time, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("the SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any rules, guidelines and regulations issued by the Reserve Bank of India or any other regulatory or



governmental authority and any other applicable laws for the time being in force, and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any duly constituted committee, including the Nomination and Remuneration Committee constituted by the Board to exercise its powers conferred by this Resolution) consent of the members be and is hereby accorded to the Board to:

- (a) implement the Grasim Industries Limited Employee Stock Option Scheme 2018 ("the Scheme 2018") through the trust to be setup for this purpose in accordance with the SEBI SBEB Regulations;
- (b) acquire, hold and deal in such number of equity shares of the Company acquired from the secondary market through the trust that may be set up in this regard ("the Trust"), not exceeding 35,15,528 fully paid-up Equity Shares of the Company of face value of ₹ 2/- each ("the Equity Shares"), being below the ceiling of 5% of the paid-up equity share capital of the Company as on 31st March 2018, prescribed under the SEBI SBEB Regulations, for the purpose of implementation of the Scheme 2018, or for any other purpose(s) as contemplated under and in due compliance with the provisions of the SEBI SBEB Regulations;
- (c) Provide to the Trust the requisite funds up to ₹ 407 Crore (Rupees Four Hundred and Seven Crore only) for acquisition of up to 35,15,528 Equity Shares of the Company of ₹ 2/- each from the secondary market through the stock exchanges, representing 0.53% of the paid-up equity capital of the Company for the purpose of implementation of the Scheme 2018, in accordance with the Companies Act, 2013 or the SEBI SBEB Regulations.

**RESOLVED FURTHER THAT** the Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the paid-up equity share capital (or such other limit as may be prescribed under the SEBI SBEB Regulations from time to time) as at the end of the financial year preceding the date of the intended acquisition.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issues, merger and sale of division or other reorganisation of capital structure of the Company, the number of shares of the Company to be acquired from the secondary market by the Trust shall be appropriately adjusted and in such event the above ceiling of 0.53% Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued and to give effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure a fair and reasonable adjustment to the Stock Options granted earlier.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc., as may be necessary in this regard."

By Order of the Board



Hutokshi Wadia  
President & Company Secretary

Place: Mumbai

Date: 14th August 2018



**NOTES FOR MEMBERS' ATTENTION:**

1. The relevant Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the special businesses under Item Nos. 7 to 19 of the Notice as set out above, are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING / AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE MEETING IS ATTACHED TO THIS NOTICE.**
4. **A PERSON CAN ACT AS PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER, HOLDING MORE THAN TEN (10) PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
5. Corporate members, intending to depute their authorised representatives to attend the meeting pursuant to Section 113 of the Act, are requested to send to the Company a duly certified true copy of the Board Resolution/Power of Attorney authorising their representatives to attend and vote on their behalf at the Meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authorities, as applicable.
6. During the period, beginning 24 hours before the time fixed for commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, will be available for inspection by the Members at the AGM.
8. The Register of Contracts or Arrangements, in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members at the AGM.
9. In case of joint holders attending the meeting only such joint holder, who is higher in the order of names, will be entitled to vote.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 4th September 2018 to Friday, 14th September 2018 (both days inclusive), for the purpose of payment of dividend, if any, approved by the Members.
11. Subject to the provisions of the Act, Dividend as recommended by the Board, if approved at the Meeting, will be paid within a period of 30 days from the date of declaration, to those Members or their mandates, whose names are registered in the Company's Register of Members:
  - a) as Beneficial Owners as at the end of the business hours on Monday, 3rd September 2018, as per the lists to be furnished by National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the equity shares held in electronic form; and
  - b) as Members after giving effect to all valid equity share transfers in physical form which are lodged with the Company or its Registrar & Transfer Agent ("RTA") Karvy Computershare Private Limited on or before Monday, 3rd September 2018.

Equity shares that may be allotted upon exercise of stock option granted under the Employee Stock Option Scheme(s) before the book closure date shall rank *pari passu* with the existing equity shares, and shall also be entitled to receive the dividend, if approved at the Meeting.
12. a) Members are advised to avail of the facility for receipt of future dividends through National Electronic Clearing Service (NECS). Members holding shares in dematerialised mode are requested to contact their respective Depository Participants (DPs) for availing NECS facility. Members holding shares in physical form are requested to download the NECS form from the website of the Company, and the same duly filled up and signed along with a photo copy of a cancelled cheque may be sent to the Company's RTA, Unit: Grasim Industries Limited. To avoid the incidence of fraudulent encashment of the

dividend warrants, Members are requested to intimate the Company's Registrar and Share Transfer Agents under the signature of the Sole/First Jointholder, the following information, so that the bank account number, and name and address of the bank can be printed on the dividend warrants:

- 1) Name of the Sole/First Jointholder and Folio No.
- 2) Particulars of the bank account, viz.:
  - i) Name of the bank
  - ii) Name of the branch with IFS Code
  - iii) Complete address of the bank with Pin Code Number
  - iv) Account type, whether savings (SB) or current account (CA)
  - v) Bank Account Number allotted by the Bank
13. Members, who hold shares in the dematerialised form and desire a change/correction in the bank account details, should intimate the same to their concerned DPs and not to the Company's RTA. Members are also requested to give the MICR Code of their banks to their DPs. The Company/Company's RTA will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased jointholder and change in the bank account details. The said details will be considered as will be furnished by the DPs to the Company.
14. Shareholders are requested to read the "Shareholder Information" section of the Full Annual Report for useful information.
15. Members, desirous of obtaining any information/clarification on the Accounts and Operations of the Company, are requested to address their communication to the Company at its registered office, so as to reach at least one week before the date of the Meeting, so that the required information can be made available at the Meeting, to the extent possible.
16. Additional information, pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)], and Secretarial Standards on General Meetings, in respect of the

Directors seeking appointment/re-appointment at the AGM, is furnished as Annexure to the Notice. The Directors have furnished consent/declaration for their appointment/re-appointment as required under the Act and the Rules thereunder.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs, and those holding shares in physical form are requested to submit their PAN to the Company's Registrar and Share Transfer Agent.
18. Pursuant to the provisions of Sections 101 and 136 of the Act, read with the relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail addresses either with their DPs or the Company. The Notice of this AGM along with the Annual Report for the year ended 31st March 2018 is being sent by electronic mode to those members whose e-mail addresses are registered with the DPs/Company, unless a member has requested for a physical copy of the same. Physical copies of the Abridged Annual Report are being sent by the permitted mode to those members who have not registered their e-mail addresses. The Annual Report for the year ended 31st March 2018 circulated to the members is also available on the Company's website, [www.grasim.com](http://www.grasim.com).  
  
Members holding shares in physical mode are requested to register their e-mail address with the Company's Registrar and Share Transfer Agents, and Members holding shares in demat mode are requested to register their e-mail address with their respective DPs, in case the same is still not registered.  
  
If there is any change in the e-mail address already registered with the Company, Members are requested to immediately notify such change to the Company's Registrar and Share Transfer Agents in respect of shares held in physical form, and to their DPs in respect of shares held in electronic form.
19. In terms of the provisions of Section 136(1) of the Companies Act, 2013, Rule 10 of the Companies (Accounts) Rules, 2014, and Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 "Listing Regulations", the Board of Directors has decided to circulate the Abridged Annual Report

containing the salient features of the Balance Sheet & Statement of Profit and Loss, and other documents to the shareholders for the Financial Year 2017-18 under the relevant laws.

Members, who desire to obtain the full version of the Annual Report, may write to the Company Secretary at the Registered Office. Full version of the Annual Report is also available on the Company's website [www.grasim.com](http://www.grasim.com).

## 20. Instructions for Remote E-voting

In compliance with the provisions of Section 108 and other applicable provisions of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (LODR), the Company is providing its Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting ("AGM") by electronic means, and the business may be transacted through remote e-voting platform provided by Karvy Computershare Private Limited ("Karvy"). The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM (remote e-voting).

The procedure and instructions for remote e-voting are as follows:

- A. In case a Member receives an e-mail from Karvy (for Members whose e-mail addresses are registered with the Company/Depository Participants):
  - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e., User ID and Password). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.
  - iii. After entering these details appropriately, Click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The

system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT", i.e., Grasim Industries Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified truecopy (PDF Format) of the Board Resolution/

Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail ID: [scrutinizer.grasim@adityabirla.com](mailto:scrutinizer.grasim@adityabirla.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the abovementioned documents should be in the naming format "Corporate Name\_ EVENT NO."

- B. In case a Member receives physical copy of the Notice of AGM (for Members whose e-mail IDs are not registered with the Company/Depository Participant or requesting physical copy):

- i. Initial Password is provided, as below, at the bottom of the Attendance Slip for the AGM.

| User ID | Password/PIN |
|---------|--------------|
| --      | --           |

- ii. Please follow all steps from Sr. No. (i) to Sr. No. (xii) above in (A), to cast your vote.

C. Other Instructions:

- i. The remote e-voting period commences on Tuesday, 11th September 2018 (9.00 a.m. IST) and ends on Thursday, 13th September 2018 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on 7th September 2018, i.e., Cut-Off date, may cast their vote electronically. A person who is not a Member as on the cut off date should treat this Notice for information purposes only. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. Mr. Ashish Garg, Practicing Company Secretary (FCS 5181 & C.P. No. 4423), has been appointed as the Scrutiniser to scrutinise the remote e-voting process and the voting process at the AGM in a fair and transparent manner.
- iii. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their vote again.
- iv. At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman will order voting for all those

Members who are present but have not cast their vote electronically using the remote e-voting facility.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on Cut-Off date, i.e., Friday, 7th September 2018.

- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares as of the Cut-Off date, i.e., 7th September 2018, may obtain the login ID and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com). However, if any such person is already registered with Karvy for remote e-voting then he can use his existing User ID and Password in the manner as mentioned below:

- (a) If the mobile number of the member is registered against Folio No./DP ID-Client ID, the member may send SMS: MYEPWD<space> E-voting Event Number +Folio No. or DP ID-Client ID to +91 9212993399

Example for NSDL:  
MYEPWD<SPACE> IN12345612345678

Example for CDSL:  
MYEPWD<SPACE> 1402345612345678

Example for Physical:  
MYEPWD<SPACE> XXX1234567890

- (b) If e-mail address of the Member is registered against Folio No./DP ID-Client ID, then on the home page of <https://evoting.karvy.com>, the member may click 'Forgot password' and enter Folio No. or DP ID-Client ID and PAN to generate a password.
- (c) Members may call Karvy's toll-free number 1-800-3454-001.
- (d) Members may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). If the Member is already registered with the Karvy e-voting platform then such member can use his/her existing UserID and Password for casting the vote through remote e-voting.



- vii. The Scrutiniser shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in employment of the Company, and make, not later than three days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith. The Scrutiniser's decision on the validity of the vote shall be final and binding.

The results declared by the Chairman of the Meeting or a person authorised by him along with the Scrutiniser's Report shall be displayed on the Notice Board at the registered office of the Company, and shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, and the same shall simultaneously be placed on the Company's website, [www.grasim.com](http://www.grasim.com), and on the website of Karvy [www.evoting.karvy.com](http://www.evoting.karvy.com).

- viii. The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of remote e-voting and the voting held at the AGM.

21. Members/Proxies should bring their Attendance Slip sent herewith, duly filled in, for attending the Meeting.
22. Members are requested to contact Karvy Computershare Private Limited/Share Department of the Company for en-cashing the unclaimed dividends standing to the credit of their accounts. The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Centre' page on the website of the Company, [www.grasim.com](http://www.grasim.com).

Pursuant to Section 124 and other applicable provisions, if any, of the Companies Act, 2013, all unpaid and unclaimed dividend remaining unpaid and unclaimed for a period of 7 (seven) years from the date they became due for payment, have been transferred to the General Reserve Account/Investor Education and Protection Fund (IEPF), established by the Central Government. Accordingly, unpaid and

unclaimed dividend upto the year ended 31st March 2010 has already been transferred to the said Account/Fund. Shareholders who have so far not en-cashed the dividend warrant(s) for the year ended 31st March 2011 or any subsequent years are, requested to make their claims to the Company's RTA on or before 30th September 2018, failing which the unpaid/unclaimed amount will be transferred to the IEPF.

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), in addition to the unpaid or unclaimed dividend, which is required to be transferred by the Company to IEPF, equity shares relating to such unpaid / unclaimed dividend are also required to be transferred to an account, viz., the IEPF Suspense Account. Members are requested to take note of the aforesaid newly notified sections of the Act, and claim their unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF Suspense Account.

Details of unpaid / unclaimed dividend is uploaded on the website of the Company and also on the website of the Ministry of Corporate Affairs ("MCA"), Government of India, before transferring to IEPF. The Company provides opportunity to the shareholders to claim the unpaid/unclaimed dividend due to them, failing which shares (held either in physical or electronic mode) shall be transferred by the Company to IEPF Suspense Account. Shareholders can, however, claim both, the unclaimed dividend amount and the equity shares transferred to IEPF Suspense Account from the IEPF Authority by making an application in the manner specified under the IEPF Rules.

Pursuant to the provisions of Sections 124 and 125 of the Act, and the IEPF Rules, as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Suspense Account after complying with the procedure laid down under the IEPF Rules. The Company, in compliance with the aforesaid IEPF Rules, has sent individual notices to those shareholders whose shares are liable to be transferred to IEPF Suspense Account, and has also published notice in the newspapers. The Company has also uploaded full details of such shares due for transfer, as well as unclaimed dividends on the website of the Company [www.grasim.com](http://www.grasim.com). Shareholders are requested to verify the details of unclaimed dividends and the shares liable to be transferred to the IEPF Suspense Account.



23. Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries. Members may visit <http://karisma.karvy.com> and click on Members option for query registration through free identity registration process.
24. The Audited Accounts of the Company and its subsidiary companies are available on the Company's website, [www.grasim.com](http://www.grasim.com) The annual accounts of

the Company's subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.

The route map of the venue of the Meeting is annexed to the Notice. The prominent landmark for the venue is that it is close to Indubhai Parekh Memorial Hospital, Nagda - 456 331, Madhya Pradesh.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item Nos. 7 & 8

Pursuant to the provisions of Section 139(1) of the Act, as amended with effect 7th May 2018, ratification of the appointment of the statutory auditors, by the members at every AGM during the period of their appointment, has been omitted with effect from that date.

At the 69th Annual General Meeting held on 23rd September 2016, Resolution No. 6, was passed for appointment of B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), as Joint Statutory Auditors of the Company, for a term of five years, subject to ratification of the appointment and fixation of remuneration for the relevant year at the Annual General Meeting in each of the subsequent years during the aforesaid term of their appointment. As a result of the amendment of section 139(1) of the Companies Act, 2013, it is no longer necessary in law to have the appointment of the statutory auditor ratified at every annual general meeting.

In view thereof, consent of the shareholders is sought to partially modify the said Resolution No. 6 passed at the 69th Annual General Meeting as provided in the Resolution and authorise the Board of Directors to ratify the appointment and fix the remuneration for the remaining term of the appointment of BSR & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), as Joint Statutory Auditors of the Company, i.e., for the years 2019-2020 and 2020-2021, as mentioned in the Resolution.

At the 70th Annual General Meeting held on 22nd September 2017, Resolution No. 5 was passed for appointment of S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E), as Joint Statutory Auditors of the Company, for a term of five years, subject to ratification of the appointment and fixation of remuneration for the relevant year at the Annual General Meeting in each of the subsequent years during the aforesaid term of their appointment. As a result of the amendment of Sections 139(1) of the Companies Act, 2013, it is no longer necessary in law to have the appointment of the Statutory Auditor ratified at every Annual General Meeting.

In view thereof, consent of the shareholders is sought to partially modify the said Resolution No. 5 passed at the 70th Annual General Meeting as provided in the Resolution and authorise the Board of Directors to ratify the appointment

and fix the remuneration for the remaining term of the appointment of S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E), as Joint Statutory Auditors of the Company, i.e., for the years 2019-2020, 2020-2021 and 2021-2022, as mentioned in the Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution. The Resolution at Item Nos. 7 & 8 of the accompanying Notice is set out as an Ordinary Resolution for approval and ratification by the Members.

#### Item No. 9

As recommended by the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 23rd May 2018, appointed Ms. Usha Sangwan as an Additional Director of the Company, w.e.f. 23rd May 2018. As an Additional Director, Ms. Usha Sangwan holds office up to the date of this Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. Ms. Usha Sangwan has consented to act as a Director of the Company.

Ms. Usha Sangwan is not related to any other Director of the Company. The disclosures relating to Ms. Usha Sangwan, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice. Considering her vast experience and knowledge in diverse areas, the Board recommends the Resolution, in relation to the appointment of Ms. Usha Sangwan as a Director, for the approval by the Members of the Company by way of an Ordinary Resolution.

Except Ms. Usha Sangwan, being an appointee, none of the other Directors, Key Managerial Personnel or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 9 of the Notice.

#### Item No. 10

As recommended by the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 14th August 2018 appointed Mr. Himanshu Kapania as an Additional Director of the Company, w.e.f. 14th August 2018. As an Additional Director, Mr. Himanshu Kapania holds office up to the date of this Annual General Meeting (AGM), and is eligible to be appointed as a Director of the Company. Mr. Himanshu Kapania has consented to act as a Director of the Company. Mr. Himanshu Kapania

is not related to any other Director of the Company. The disclosures relating to Mr. Himanshu Kapania, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice. Considering the rich experience and vast knowledge in diverse areas, the Board recommends the Resolution, in relation to the appointment of Mr. Himanshu Kapania as a Director, for the approval by the Members of the Company by way of an Ordinary Resolution.

Except Mr. Himanshu Kapania, being an appointee, none of the other Directors, Key Managerial Personnel or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 10 of the Notice.

#### Item No. 11

As recommended by the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 14th August 2018, appointed Ms. Anita Ramachandran as an Additional (Independent) Director of the Company for a term of five (5) consecutive years, w.e.f. 14th August 2018, not liable to retire by rotation, subject to the approval of the Members.

Ms. Anita Ramachandran has consented to act as an Independent Director of the Company.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act and as per the criteria set out under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)], Ms. Anita Ramachandran is eligible to be appointed as an Independent Director of the Company, and has given a declaration to the Board that she meets the criteria of independence as provided under the Act and SEBI (LODR).

In the opinion of the Board, Ms. Anita Ramachandran fulfils the conditions specified in the Act, the Rules made thereunder and SEBI (LODR) for the appointment as an Independent Director, and is independent of the Management.

The terms and conditions of the appointment of Ms. Anita Ramachandran are available for inspection by the Members at the Registered Office of the Company during the business hours on any working day of the Company, and the letter of appointment is also available on the website of the Company, [www.grasim.com](http://www.grasim.com).

Ms. Anita Ramachandran is not related to any other Director of the Company. The disclosure relating to Ms. Anita Ramachandran, as required under SEBI (LODR), is set out as an Annexure to the Notice.

The Board commends the Ordinary Resolution set out at Item No. 11 of this Notice for the approval by the Members.

Except Ms. Anita Ramachandran, being an appointee, none of the Directors, Key Managerial Personnel or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 11 of the Notice.

#### Item Nos. 12 to 15

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, notified on 9th May 2018 and effective from 1st April 2019, approval of the Members by way of a special resolution is required for continuation of directorship of non-executive directors of the Company who have attained the age of 75 years.

Four of the Company's Non-Executive Directors, Mr. M. L. Apte, Mr. B. V. Bhargava, Mr. O. P. Rungta and Mr. Shailendra K. Jain, have/will have attained the age of 75 years on 1st April 2019.

Mr. M. L. Apte was appointed as an Independent Director of the Company by the Board of Directors of the Company at its meeting held on 2nd May 2014 and approved by shareholders in the Annual General Meeting held on 6th September 2014, under Section 149 and Schedule IV of the Companies Act, 2013, for a term of five consecutive years till the conclusion of the 72nd AGM to be held in the year 2019. Mr. Apte holds a Bachelor of Arts degree from Mumbai University. Mr. Apte is an industrialist and is presently the Chairman of Apte Group of industries, and has served as the President of the Bombay Chamber of Commerce. He was selected to be the Sheriff of Mumbai in 1983. He was also the President of Cricket Club of India.

Mr. B. V. Bhargava was appointed as an Independent Director by the Board of Directors of the Company at its meeting held on 2nd May 2014 and approved by shareholders in the Annual General Meeting held on 6th September 2014, under Section 149 and Schedule IV of the Companies Act, 2013, for a term of five consecutive years till the conclusion of the 72nd AGM to be held in the year 2019. Mr. B. V. Bhargava holds a Master of Commerce and LLB degree.

Mr. Bhargava served as the Managing Director of ICICI Bank Ltd. until 1st May 1996. Mr. Bhargava served at Tariff Commission of India, the Indian Investment Centre, New York, and as Chairman of ICICI, Telecom Group Advisory to the Government of India. He served as an Assistant Director of New York at Indian Investment Centre. He has a distinguished career in development banking and project finance for nearly three decades. Mr. Bhargava served as the Non-Executive Chairman of the Board of National Commodity and Derivatives Exchange Limited. He served as the Chairman of CRISIL Ltd. until July 2008. Mr. Bhargava is also on the Board of various companies.

Mr. O. P. Rungta was appointed as an Independent Director on 25th September 2014. His appointment was approved by shareholders in the Annual General Meeting held on 19th September 2015, under Section 149 and Schedule IV of the Companies Act, 2013, for a term of five consecutive years commencing from 25th September 2014 and ending on 24th September 2019.

Mr. Rungta is a Chartered Accountant and also holds a degree in Law. Mr. Rungta has vast experience in manufacturing industry and is a Finance and Management Consultant.

Academically, Mr. Shailendra K. Jain is a B. Sc. (gold medalist) from Vikram University, Ujjain, and a B.E. Hons. (gold medalist) from the University of Mumbai and S. M. from Massachusetts Institute of Technology, U.S.A.

Mr. Shailendra K. Jain joined the Company at its SFD, Nagda in 1965. He became the President of the Company in December 1993 and was appointed as a Whole-time Director in 2001. He was also the Chairman of Business Review Council of Aditya Birla Group.

Besides being a Director of Pulp and Fibre business of Aditya Birla Group covering Grasim Industries and its subsidiaries, Mr. Jain is also the Chairman of Aditya Birla Cellulosic (Egypt) Co. SAE and a Commissioner at PT Sunrise in Indonesia.

For his contribution, he has been honoured with the ABG Ratna Award in 2017. He has received many honour and accolades in his professional journey. He was the first Indian to chair a TAPPI session in USA. He has authored several articles based on his practical and research experience in the field of environment, forestation, productivity, rayon fibre and wood pulp.

Though the incumbents have / will have attained the age of seventy-five years on or before 1st April 2019, they are in good health and of sound and alert mind, and the Board is

confident about them being able to function and discharge their duties in an able and competent manner till the end of their respective current tenure.

Considering their seniority, expertise and vast experience in their respective fields, and their contributions to the Company, the Board recommends their continuation as Directors till the end of their respective current terms.

Except Mr. M. L. Apte, Mr. B. V. Bhargava, Mr. O. P. Rungta and Mr. Shailendra K. Jain, none of the other Directors/Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the said Resolutions.

#### Item No. 16

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment and remuneration of the following Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending 31st March 2019:

| Name of the Cost Auditor                                                          | Division of the Company                                                        | Remuneration                                                                   |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| M/s. D. C. Dave & Co., Cost Accountants, Mumbai (Registration No. 000611)         | All Divisions of the Company, except Viscose FibreYarn -Century Rayon Division | ₹ 15.00 Lakh plus applicable taxes and reimbursement of out-of-pocket expenses |
| M/s. M. R. Dudani & Co., Cost Accountants, Mumbai (Registration No. FRN - 100017) | Viscose Fibre Yarn – Century Rayon Division                                    | ₹ 2.20 Lakh plus applicable taxes and reimbursement of out-of-pocket expenses  |

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors needs to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2019.

The Board commends the Ordinary Resolution set out at Item No. 16 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the said Resolution set out at Item No. 16 of the Notice.



**Item Nos. 17 & 18**

Stock options in the hands of employees have long been recognised as an effective instrument to align the interests of the employees with that of the Company and its shareholders, providing an opportunity to the employees to share in the growth of the Company and to create wealth in the hands of the employees.

Accordingly, the Company intends to reward, attract, motivate and retain employees and directors of the Company, its subsidiary companies for their high level of individual performance and for their efforts to improve the financial performance of the Company.

The eligible employees shall be granted employee stock options in the form of options ("Options") and/ or restricted stock units ("RSUs") which will be exercisable into equity shares of ₹ 2/- each of the Company ("the Equity Shares"), upon such terms and conditions applicable to the Options and RSUs, as the case may be. Towards this, the Company has proposed to approve and adopt the 'Grasim Industries Limited Employee Stock Option Scheme 2018' (hereinafter referred to as "the Scheme 2018"). The Board of Directors of the Company, at its meeting held on 14th August 2018, has based on the recommendations of the Nomination and Remuneration Committee, approved the broad framework of the Scheme 2018.

The Members are informed that the Company intends to offer not more than 35,15,528 Equity Shares under the Scheme 2018 by way of grant of Options and RSUs. Options and RSUs are collectively referred to as "Stock Options". The Scheme 2018 will be administered by the Nomination and Remuneration Committee of the Board constituted pursuant to the provisions of Section 178 of the Companies Act, 2013, through a trust, viz., the Grasim Employees' Welfare Trust to be set up for the purpose.

To promote the culture of employee ownership, approval of Members is also being sought for grant of Stock Options to certain employees and directors of the Company, its subsidiary companies.

The Scheme 2018 is being formulated in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"). Relevant details with respect to the aforementioned Scheme 2018 are as follows:

**(i) Total number of Stock Options to be granted**

The total number of Stock Options, that may in the aggregate be granted, shall be such number that

would entitle the grantees to acquire, in one or more tranches, such equity shares of the Company not exceeding 35,15,528 Equity Shares of ₹ 2/- each ("the Equity Shares") being 0.53% of the paid-up equity share capital of the Company. The aggregate number of Stock Options, proposed to be granted under the Scheme 2018, shall not be exercisable into more than 0.53% of the overall ceiling of Equity Shares to be issued under the Scheme 2018 (which number shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time).

Upon exercise, each Stock Option entitles the relevant grantee to one Equity Share (i.e. one Option will entitle the grantee to one Equity Share and one RSU will entitle the grantee to one Equity Share).

In case of any corporate action(s), such as rights issue, bonus issue, merger and sale of division, split or consolidation and others, a fair and reasonable adjustment needs to be made to the Stock Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of 0.53% shall be deemed to be increased to the extent of such additional Equity Shares issued.

Stock Options not vested due to non-fulfilment of the vesting conditions, vested Stock Options which the grantees expressly refuse to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse, and these Stock Options or the underlying Equity Shares will be available for grant under the present Scheme 2018 or under a new scheme, subject to compliance with applicable laws.

**(ii) Identification of classes of employees entitled to participate in the Scheme 2018**

Persons who are permanent employees of the Company in the management cadre, working in or out of India, including managing or whole-time directors of the Company, and that of its subsidiary companies, will be entitled to participate in the Scheme 2018, subject to fulfilment of the eligibility criteria, as may be specified in terms of the SEBI SBEB Regulations or as may be decided by the Board or the Nomination and Remuneration Committee, from time to time.



The following category of employees/directors shall not be eligible to participate in the Scheme 2018:

- (a) promoter or person belonging to the Promoter Group;
- (b) an Independent Director;
- (c) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

**(iii) Requirements of vesting and period of vesting**

The Board or the Nomination and Remuneration Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics on the achievement, of which the granted Stock Options would vest and which may be specified in the respective grant letters or the vesting letters to be issued in this regard. The detailed terms and conditions relating to such criteria for vesting, the period over which and the proportion in which the Stock Options granted would vest would be subject to the minimum and maximum vesting period as specified below.

**Vesting period for Options:** The Options would vest not earlier than one year and not later than four years from the date of grant of Options or such other period as may be determined by the Nomination and Remuneration Committee. The vesting schedule (i.e., exact proportion in which and the exact period over which the Options would vest) would be determined by the Nomination and Remuneration Committee, subject to the minimum vesting period of one year from the date of grant of Options. The Options granted under the Scheme 2018 shall vest in one or more tranches.

**Vesting period for RSUs:** The RSUs would vest not earlier than one year and not later than three years from the date of grant of RSUs or such other period as may be determined by the Nomination and Remuneration Committee. The vesting schedule (i.e., exact proportion in which and the exact period over which the RSUs would vest) would be determined by the Nomination and Remuneration Committee, subject to the minimum vesting period of one year from the date of grant of RSUs. The RSUs granted under the Scheme 2018 shall vest in one or more tranches.

**(iv) Exercise price or pricing formula**

**Exercise price for Options:** The Equity Shares may be transferred pursuant to the exercise of Options

at the market price of the Equity Shares as at the date of the grant of the Options or at such other price as may be decided by the Board from time to time, in compliance with the SEBI SBEB Regulations, provided that the exercise price per Option shall not be less than the face value of the Equity Share of the Company.

**Exercise price for RSUs:** Upon exercise of the RSUs, the Equity Shares may be transferred at face value of the Equity Share of the Company or at such price as may be determined by the Board and / or Nomination and Remuneration Committee, provided that the exercise price per RSU shall not be less than the face value of the Equity Share of the Company.

**(v) Exercise period or process of exercise**

The exercise period would commence from the date of vesting and will expire on completion of five years from the date of vesting of Stock Options or such other period as may be determined by the Board or the Nomination and Remuneration Committee.

During the exercise period relating to each vesting, vested Options and vested RSUs can be exercised in one or more tranches, such that each tranche will be a minimum of 500 Options or 100 RSUs, as the case may be, except in cases where the number of vested Options is less than 500 or where the number of outstanding vested RSUs is less than 100 in which event the vested Options and vested RSUs will be exercised in a single tranche.

The Stock Options will be exercisable by the Employees through a written application to the Company accompanied by payment of the exercise price in such manner and on execution of such documents, as may be prescribed by the Board or the Nomination and Remuneration Committee, from time to time. The Stock Options will lapse if not exercised within the specified exercise period.

**(vi) The Appraisal process for determining the eligibility of employees**

The appraisal process for determining the eligibility of the employee will be specified by the Board or the Nomination and Remuneration Committee, and will be based on criteria, such as role / criticality of the employee, length of service with the Company, work performance, technical knowledge, managerial level, future potential and such other criteria that may be determined by the Board or

the Nomination and Remuneration Committee, as applicable, at its sole discretion.

The Board or the Nomination and Remuneration Committee may decide to extend the benefits of the Scheme 2018 to new entrants or to existing employees on such basis as it may deem fit, in accordance with the applicable law.

**(vii) Disclosure and Accounting Policies**

The Company shall comply with such applicable disclosure and accounting policies as prescribed by the SEBI SBEB Regulations and those prescribed by the concerned authorities, from time to time.

**(viii) Maximum number of Stock Options to be issued per employee and in aggregate**

The maximum number of Stock Options to be granted to any employee shall be decided by the Board or the Nomination and Remuneration Committee. However, the number of Stock Options that may be granted to a single employee under the Scheme 2018 shall not exceed 0.20% of the paid-up equity share capital at the time of grant of Stock Options (which shall be adjusted in lieu of adjustments/re-organisation of capital structure of the Company, from time to time).

The aggregate of all such Stock Options shall not result into more than 35,15,528 Equity Shares which shall be adjusted in lieu of corporate actions, adjustments/re-organisation of capital structure of the Company, from time to time.

**(ix) Implementation and Administration**

The Scheme shall be administered through the Nomination and Remuneration Committee and through a trust, as the Board or the Nomination and Remuneration Committee deem fit. Further, secondary acquisition of the Equity Shares from the stock exchanges, for the purposes of implementing the Scheme 2018 would only be undertaken by the Trust.

The Company believes that the implementation of the Scheme 2018 through the secondary market acquisition is in the best interest of the Company and its shareholders, and it will not create any dilution in their shareholding besides being easier and efficient in implementation. The Trust shall be authorised to acquire equity shares of the Company from the secondary market. The Company proposes to provide the requisite funds

to the Trust for this purpose, in accordance with the applicable laws.

**(x) Whether the Scheme 2018 involves new issue of Equity Shares by the Company or secondary acquisition or both**

The Scheme 2018 will only involve secondary acquisition of Equity Shares by the Trust through recognised stock exchanges. The secondary acquisition of Equity Shares will be undertaken in compliance with the SEBI SBEB Regulations and other applicable laws.

**(xi) The amount of funds to be provided for the implementation of the Scheme 2018 by the Company to the Trust, its tenure, utilisation, repayment terms.**

The Company shall provide the requisite funds from time to time, not exceeding ₹ 407 Crore (Rupees Four Hundred and Seven Crore), to the Trust to fund the acquisition of Equity Shares by the Trust from the stock exchanges through secondary acquisition, in terms of the Scheme 2018. Further funds, if any, to be provided to the Trust by the Company in pursuance of the Scheme 2018, on account of increase in the price of the Equity Shares, will be extended in accordance with applicable laws. The Exercise Price received from the employees upon exercise of Stock Options shall be used by the Trust for the purposes of repayment to the Company.

**(xii) Maximum percentage of secondary acquisition (subject to the limits specified under the SEBI SBEB Regulations) that can be made by the trust for the purposes of the Scheme 2018**

In terms of the Scheme 2018 and in accordance with the SEBI SBEB Regulations, the Trust, that may be set up for the implementation of the Scheme 2018, may acquire Equity Shares through secondary acquisition, such that secondary acquisition in a financial year shall not exceed 2% of the paid-up equity share capital of the Company as at the end of the previous financial year. As at 31st March 2018, 2% of the paid-up equity share capital of the Company comprised 1,31,47,429 Equity Shares of ₹ 2/- each. Further, in terms of the SEBI SBEB Regulations, the total number of Equity Shares to be held by the Trust shall not exceed 5% of the paid-up equity share capital of the Company as at the end of the financial year, immediately prior to the year in which the shareholders' approval is obtained, i.e., FY 2018. As at 31st March 2018, 5% of the paid-up equity share capital of the Company comprised 3,28,68,572 Equity Shares of ₹ 2/- each.

**(xiii) Method of Stock Options' valuation**

To calculate the employee compensation cost, the Company shall use the Fair Value Method for valuation of the Options granted or such valuation method as may be prescribed from time to time, in accordance with the applicable laws.

In the event the Company undertakes valuation as per the intrinsic value method, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the Stock Options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings per Share of the Company shall also be disclosed in the Directors' Report.

**(xiv) Transferability of Stock Options**

The Stock Options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of a Stock Option holder while in employment, the right to exercise all the Stock Options granted to him till such date shall be transferred to his legal heirs or nominees, as prescribed.

**(xv) Other Terms**

The Board or the Nomination and Remuneration Committee shall have the absolute authority to vary or modify the terms of the Scheme 2018, in accordance with the regulations and guidelines prescribed by Securities and Exchange Board of India, including in terms of the SEBI SBEB Regulations or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the employees, who have been granted stock options under the Scheme 2018.

The SEBI SBEB Regulations also require separate approval of Members by way of Special Resolution to grant Stock Options to the employees of the Company's subsidiary company(ies). Accordingly, a separate Resolution under Item No. 18 is proposed, to extend the benefits of the Scheme 2018 to the employees of the Company's subsidiary company(ies), as may be decided by the Nomination and Remuneration Committee from time to time, under the applicable laws.

None of the Directors of the Company is in any way concerned or interested in the Resolution, except to

the extent of the Equity Shares that may be offered to them under the Scheme 2018. The Stock Options to be granted under the Scheme 2018 shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

The Board recommends Resolutions No. 17 and 18 for approval of the Members of the Company.

**Item No. 19**

As indicated in the Explanatory Statement pertaining to Item No. 17 and Item No. 18, the Board of Directors of the Company, at its meeting held on 14th August 2018, approved the broad framework of the Grasim Industries Limited Employee Stock Option Scheme 2018 ("the Scheme 2018"). Further, the Scheme 2018 shall be administered by the Nomination and Remuneration Committee through a trust. Further, in terms of the Scheme and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended ("the SEBI SBEB Regulations"), the trust may acquire Equity Shares through secondary acquisition, such that secondary acquisition in a financial year shall not exceed 2% of the paid-up equity share capital of the Company as at the end of the previous financial year. As at 31st March 2018, 2% of the paid-up equity share capital of the Company comprised 1,31,47,429 Equity Shares. Further, in terms of the SEBI SBEB Regulations, the total Equity Shares to be held by the Trust shall not exceed 5% of the paid-up equity share capital of the Company as at the end of the financial year immediately prior to the year in which the shareholders' approval is obtained, i.e., FY2018. As at 31st March 2018, 5% of the paid-up equity share capital of the Company comprised 3,28,68,572 Equity Shares.

In accordance with the SEBI SBEB Regulations, a separate Resolution is required to be passed as a Special Resolution by Members of the Company, if the implementation of the Scheme 2018 involves setting up of a trust, secondary acquisition of Equity Shares and provision of money whether by way of a loan or otherwise. Therefore, a separate resolution is proposed for secondary acquisition of Equity Shares for the implementation of the Scheme 2018, through a trust to be setup for this purpose, and provision of money for such acquisition in accordance with applicable laws in accordance with the applicable laws.

Upon approval of the Members and after complying with the procedural and statutory formalities, the Trust is empowered to acquire in one or more tranches, up to 35,15,528 Equity Shares of the Company from the secondary market through the stock exchanges, representing 0.53% of the paid-up equity share capital

of the Company for the implementation of the Scheme 2018.

The Company proposes to provide to the Trust the requisite funds up to ₹ 407 Crore (Rupees Four Hundred and Seven Crore only) to undertake the secondary acquisition. The funds to be provided to the Trust will be interest-free and be utilised for implementation of the Scheme 2018. As and when the exercise price is recovered from the employees, from time to time, upon exercise of options, the Trust may repay the amount to the Company.

The relevant disclosures, as required under Section 67, read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014, are as follows:

- a) The class of employees for whose benefit the Scheme is being implemented and money is being provided for subscription to shares:

Refer point (ii) in the Explanatory Statement relating to Item Nos.17 & 18 above.

- b) The particulars of the trustee in whose favour such shares are to be registered:

Same as (c) below.

- c) The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the Promoters, Directors or Key Managerial Personnel :

Name of the Trust: Grasim Employees' Welfare Trust

Address of the Trust: A-2, Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai 400 030.

Particulars of the Trustees are given below :-

| Sr. No. | Name                      | Address                                                                                       | Occupation | Nationality |
|---------|---------------------------|-----------------------------------------------------------------------------------------------|------------|-------------|
| 1.      | Mr. Anil Malik            | Birla Centurion, Pandurang Budhkar Road, Worli, Mumbai - 400 030                              | Service    | Indian      |
| 2.      | Mr. Chandrashekhar Chavan | Skyline Icon Building 86/92, off Andheri Kurla Road, Marol Village, Andheri (E) Mumbai 400059 | Service    | Indian      |

|    |                        |                                                                  |         |        |
|----|------------------------|------------------------------------------------------------------|---------|--------|
| 3. | Mr. Indrajit Pathak    | Birla Centurion, Pandurang Budhkar Road, Worli, Mumbai - 400 030 | Service | Indian |
| 4. | Mr. Ashok Ramachandran | Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai 400 030     | Service | Indian |

None of the above Trustees and their respective relatives is related to Promoters, Directors or Key Managerial Personnel of the Company. Subject to the compliance of the provisions of applicable law, the aforesaid Trustees may be changed at any time. In accordance with the SEBI SBEB Regulations, none of the trustees hold 10% or more beneficial interest in the Company.

- d) Any interest of the Key Managerial Personnel, Directors or Promoters in such Scheme or Trust and effect thereof:

Directors and KMP may be deemed to be interested to the extent of Equity Shares as may be granted to them under the Scheme 2018. None of the Promoters are interested in the Scheme 2018 or in the Trust.

- e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme 2018:

The Employees can exercise Options granted to them to get Equity Shares.

- f) Details about who would exercise and how the voting rights in respect of the shares to be acquired under the Scheme 2018 would be exercised:

The SEBI SBEB Regulations provides that the Trustee of an Trust, which is governed under the SEBI SBEB Regulations, shall not vote in respect of the shares held by such Trust, so as to avoid any misuse arising out of exercising such voting rights.

In line with the requirements of the SEBI SBEB Regulations, the trustees shall not exercise voting rights in respect of the Equity Shares held by the Trust pursuant to the Scheme 2018.



Regulation 6 of the SEBI SBEB Regulations requires that any ESOS for offering Options to the employees must be approved by the Members by way of a Special Resolution. Accordingly, the Resolutions set as Item Nos.17, 18 & 19 are being placed for the approval of the members pursuant to the provisions of the Companies Act, 2013, and Regulation 6 of the SEBI SBEB Regulations and all other applicable provisions of the law, for the time being in force.

As per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 all fees/compensation (including stock options) paid to Non-Executive Directors, including Independent Directors, shall require previous approval of shareholders in general meeting. Since it is proposed to grant Options to Directors of the Company whether Whole-time Directors or not (but excluding Promoter, Promoter Group, Independent Directors, and a Director, who either himself or through his relative or through any body-corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company)

Resolution set out in Item No. 17 and 18 are placed for approval of the Members.

None of the Directors of the Company is in any way, concerned or interested in the Resolution and in appointment of Trustee, except to the extent of the Equity Shares that may be offered to them under the Scheme 2018. The Stock Options to be granted under the Scheme 2018 shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

The Board recommends Resolution No. 19 for approval of the Members of the Company.

By Order of the Board



Hutokshi Wadia  
President & Company Secretary

Place: Mumbai

Date: 14th August 2018



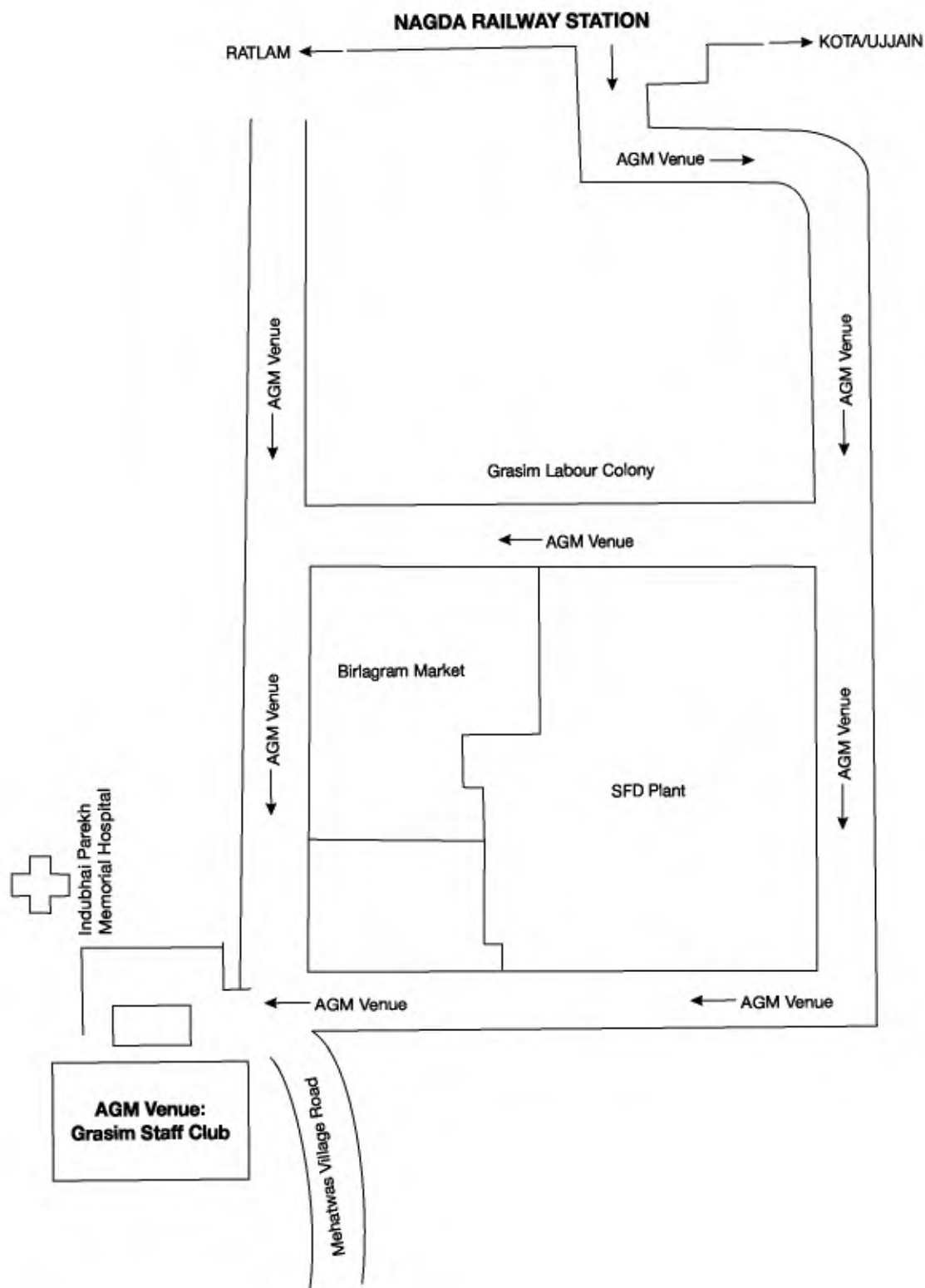
**DISCLOSURES RELATING TO DIRECTORS PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARD ON GENERAL MEETINGS:**

| Name of the Director                                                                                                        | Mr. Shailendra K. Jain                                                                       | Mrs. Rajashree Birla                                                                                                                                                                                          | Ms. Usha Sangwan                                                                                                                                      | Mr. Himanshu Kapania                                                                                                                                                                                     | Ms. Anita Ramachandran                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth                                                                                                               | 04.12.1943                                                                                   | 15.09.1945                                                                                                                                                                                                    | 1.10.1958                                                                                                                                             | 23.04.1961                                                                                                                                                                                               | 28.04.1955                                                                                                                                                                                                                                                                                                                                                              |
| Date of First Appointment                                                                                                   | 01.04.2010                                                                                   | 14.03.1996                                                                                                                                                                                                    | 23.05.2018                                                                                                                                            | 14.08.2018                                                                                                                                                                                               | 14.08.2018                                                                                                                                                                                                                                                                                                                                                              |
| Expertise in specific functional areas                                                                                      | Management                                                                                   | Industrialist                                                                                                                                                                                                 | Vast experience in Insurance, Sector and Managing Director of Life Insurance Corporation of India                                                     | Vast experience in Telecom Industry and General Management                                                                                                                                               | Management Consultant                                                                                                                                                                                                                                                                                                                                                   |
| Qualification                                                                                                               | B.Sc. B.E. (Hons.) SM (MIT)                                                                  | B.A.                                                                                                                                                                                                          | Master's Degree in Economics and a Post Graduate Diploma in Human Resource Management                                                                 | 1. B.Tech. in Electrical Engineering from Birla Institute of Technology, Mesra<br>2. PGDBM (Marketing) from IIM, Bangalore                                                                               | M.B.A. (Finance), Jamnalal Bajaj Institute, Mumbai                                                                                                                                                                                                                                                                                                                      |
| No. of Equity Shares held (31.03.2018)                                                                                      | 65,430                                                                                       | 5,52,850                                                                                                                                                                                                      | -                                                                                                                                                     | 340                                                                                                                                                                                                      | -                                                                                                                                                                                                                                                                                                                                                                       |
| List of outside Company Directorships held in Indian Public Limited Company                                                 | 1. Samruddhi Swastik Trading and Investments Ltd.<br>2. Sun God Trading and Investments Ltd. | 1. Idea Cellular Limited<br>2. Hindalco Industries Limited<br>3. Aditya Birla Health Services Limited<br>4. UltraTech Cement Limited<br>5. Century Enka Limited<br>6. Century Textiles and Industries Limited | 1. Axis Bank Ltd.<br>2. Ambuja Cement Limited<br>3. LIC Housing Finance Limited<br>4. LIC Cards Services Limited<br>5. BSE Limited<br>6. GIC of India | 1. Idea Cellular Limited<br>2. Indus Towers Limited<br>3. Idea Cellular Services Limited<br>4. Aditya Birla Telecom Limited<br>5. Idea Telesystems Limited<br>6. Aditya Birla Idea Payments Bank Limited | 1. Godrej and Boyce Mfg. Co. Limited<br>2. 3D PLM Software Solutions Limited<br>3. Kotak Mahindra Old Mutual Life Insurance Limited<br>4. Aditya Birla MyUniverse Limited<br>5. Aditya Birla Retail Limited<br>6. Aditya Birla Housing Finance Limited<br>7. IDFC Asset Management Company Limited<br>8. Utkarsh Small Finance Bank Limited<br>9. Rane (Madras) Limited |
| Chairman/Member of the Committee of the Board of Directors of the Company                                                   |                                                                                              |                                                                                                                                                                                                               |                                                                                                                                                       |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                         |
| Chairman/Member of the Committees of the Board of Directors of other Public Limited Companies in which he/she is a Director |                                                                                              |                                                                                                                                                                                                               |                                                                                                                                                       |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                         |
| Audit Committee                                                                                                             | 1. Samruddhi Swastik Trading and Investments Limited - Member                                | -                                                                                                                                                                                                             | -                                                                                                                                                     | -                                                                                                                                                                                                        | 1. Godrej and Boyce Mfg. Co. Limited - Member<br>2. 3D PLM Software Solutions Limited - Chairperson<br>3. Aditya Birla MyUniverse Limited - Member<br>4. Aditya Birla Retail Limited - Member<br>5. Aditya Birla Housing Finance Limited - Member<br>6. IDFC Asset Management Company Limited - Member<br>7. Utkarsh Small Finance Bank Limited - Member                |
| Stakeholders Relationship Committee                                                                                         | -                                                                                            | -                                                                                                                                                                                                             | -                                                                                                                                                     | 1. Idea Cellular Limited - Member                                                                                                                                                                        | 1. Rane (Madras) Limited - Member<br>2. 3D PLM Software Solutions Limited - Member<br>3. Utkarsh Small Finance Bank Limited - Member                                                                                                                                                                                                                                    |
| Disclosure of Relationship inter-se                                                                                         | None                                                                                         | Mother of Mr. Kumar Mangalam Birla                                                                                                                                                                            | None                                                                                                                                                  | None                                                                                                                                                                                                     | None                                                                                                                                                                                                                                                                                                                                                                    |

\*including shares held in HUF

Note: Pursuant to Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two Committees, viz., Audit Committee and Stakeholders Relationship Committee have been considered.

Route Map to the Venue of the Annual General Meeting







**GRASIM INDUSTRIES LIMITED**

Registered Office: Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India

CIN: L17124MP1947PLC000410

Tel No.: 07366 - 246760; Fax: 07366 - 244114; E-mail: [grasim.secretarial@adityabirla.com](mailto:grasim.secretarial@adityabirla.com);

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

**FORM NO. MGT-11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....

Registered Address : .....

E-mail ID : .....

Folio No./DP ID and Client ID : .....

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint:

1. Name : .....

Address : .....

E-mail ID : .....

Signature : ..... or failing him/her;

2. Name : .....

Address : .....

E-mail ID : .....

Signature : ..... or failing him/her;

3. Name : .....

Address : .....

E-mail ID : .....

Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 71st Annual General Meeting of the Company, to be held on Friday, 14th September 2018 at 11.00 A.M. at Grasim Staff Club, Birlagram, Nagda - 456 331, District Ujjain, Madhya Pradesh, and at any adjournment thereof in respect of such resolutions and as indicated below:

| Item No. | Description of the Resolution                                                                                                                                                                                                                                                  | FOR | AGAINST |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1.       | Adoption of the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March 2018, together with the Reports of the Board of Directors and Auditors thereon.                                  |     |         |
| 2.       | Declaration of Dividend on Equity Shares for the financial year ended 31st March 2018.                                                                                                                                                                                         |     |         |
| 3.       | Appointment of Director in place of Mr. Shailendra K. Jain (DIN: 00022454), who retires by rotation and, being eligible, offers himself for re-appointment.                                                                                                                    |     |         |
| 4.       | Appointment of Director in place of Mrs. Rajashree Birla (DIN: 00022995), who retires by rotation and, being eligible, offers herself for re-appointment.                                                                                                                      |     |         |
| 5.       | Ratification of appointment of B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), as the Joint Statutory Auditors of the Company, and to fix their remuneration.                                                                                      |     |         |
| 6.       | Ratification of appointment of S R B C & Co., LLP, Chartered Accountants (Registration No. 324982E), as the Joint Statutory Auditors of the Company and to fix their remuneration.                                                                                             |     |         |
| 7.       | Partial modification of Resolution No. 6 passed at the 69th Annual General Meeting held on 23rd September 2016, for appointment and remuneration of B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), as the Joint Statutory Auditors of the Company |     |         |
| 8.       | Partial modification of Resolution No. 5 passed at the 70th Annual General Meeting held on 22nd September 2017, for appointment and remuneration of S R B C & Co., LLP, Chartered Accountants (Registration No. 324982E), as the Joint Statutory Auditors of the Company       |     |         |
| 9.       | Appointment of Ms. Usha Sangwan (DIN: 02609263) as Non-Executive Director of the Company                                                                                                                                                                                       |     |         |
| 10.      | Appointment of Mr. Himanshu Kapania (DIN: 03387441) as Non-Executive Director of the Company                                                                                                                                                                                   |     |         |
| 11.      | Appointment of Ms. Anita Ramachandran (DIN: 00118188) as an Independent Director of the Company                                                                                                                                                                                |     |         |
| 12.      | Approval for continuation of Directorship of Mr. M. L. Apte (DIN: 00003656)                                                                                                                                                                                                    |     |         |
| 13.      | Approval for continuation of Directorship of Mr. B. V. Bhargava (DIN: 00001823)                                                                                                                                                                                                |     |         |
| 14.      | Approval for continuation of Directorship of Mr. O. P Rungta (DIN: 00020559)                                                                                                                                                                                                   |     |         |
| 15.      | Approval for continuation of Directorship of Mr. Shailendra K. Jain (DIN: 00022454)                                                                                                                                                                                            |     |         |
| 16.      | Ratification of the remuneration of the Cost Auditor M/s D.C. Dave & Co., Cost Accountants (Registration No. 000611) and M/s. M. R. Dudani & Co., Cost Accountants, (Registration No. FRN- 100017 for the financial year ending 31st March 2019.                               |     |         |
| 17.      | Approve and Adopt Grasim Industries Limited Employee Stock Option Scheme 2018.                                                                                                                                                                                                 |     |         |
| 18.      | Approve the Extension of Benefits of the Grasim Industries Limited Employee Stock Option Scheme 2018 to the permanent employees in the management cadre, including Managing and Whole-time Directors, of the Subsidiary Companies of the Company.                              |     |         |
| 19.      | Approve the use of the trust route for the implementation of the Grasim Industries Limited Employee Stock Option Scheme 2018 and secondary acquisition of the equity shares of the Company by the trust to be set up.                                                          |     |         |

Signed this ..... day of ..... 2018

Affix  
Revenue  
Stamp

.....  
Signature of Member(s)

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

**Note:**

- This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 71st Annual General Meeting.
- It is optional to put an "X" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details, including details of member(s), in the above box before submission.





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